

GWANDALAN BOWLING CLUB LIMITED
A.B.N 37 001 069 914

FINANCIAL REPORT
FOR THE YEAR ENDED
30TH JUNE 2017

GWANDALAN BOWLING CLUB LIMITED
A.B.N 37 001 069 914

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GWANDALAN BOWLING CLUB LIMITED
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DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2017.

General Information

Directors

The names of each person who has been a director during the year and to the date of this report are:

Mr John Brown
Mr David Lyons
Mrs Delores Spek
Mr Colin Wynn
Mr David Ryder (*retired 28 February 2017*)
Mr Ian Wall
Mr Kevin Storey
Ms Noeleen Crawford
Mr Robert Gooch

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

Operating Results

The profit of the company after providing for income tax amounted to \$49,905.

Review of Operations

A review of the operations of the company during the financial year and the results of those operations are as follows:

Gross profit margin from bar trading declined this year from 54% to 52%.

Gross Profit from bar trading was \$752,936 which was a decrease of \$56,805 on the 2016 result of \$809,741.

Overall Turnover from the Bar for 2017 was \$1,460,282 which was a decrease of \$53,264 (3.52%) on the 2016 result of \$1,513,546.

Net turnover from poker machines was also slightly lower in the current year \$1,835,499 compared to \$1,854,650 in 2016 which is a reduction of \$19,151 (1.03%)

Overall revenue from men's bowling activities was \$116,341 which is a decrease of \$3,416 (2.85%) on the 2016 result of \$119,757.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Company during the financial

Principal Activities

The principal activities of the company during the financial year were the operation of bowling greens and the running of the Club for the benefit of the members and the community.

No significant changes in the nature of the company's activity occurred during the financial year.

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DIRECTORS' REPORT

Objectives - Short and Long Term

The club has established short and long term objectives as outlined in the club's business plan which is reviewed on an annual basis. These objectives are both financial and non financial and are aimed towards providing a comfortable and secure environment to its members that continues to meet their needs. These objectives are measured through both financial and non financial key performance indicators that have been determined relevant to the club industry. No information is included on the likely developments in the operations of the club and the expected results of those operations.

Events After 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 company, the results of those operations, or the state of affairs of the company in future financial years.

Environmental Issues

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

Dividends

The Corporations Law prohibits a Company Limited by Guarantee from paying dividends.

Shares in Companies

The company holds 100 ordinary shares issued at \$1 each in a wholly owned subsidiary. The subsidiary has not commenced any activities so is not consolidated in these reports.

Indemnification and Insurance of Officers and Auditors

The club has paid premiums 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 club, other than conduct involving a wilful breach of duty in relation to the club. The policy prohibits the disclosure of the nature of the indemnification and the insurance cover, and the amount of the premium.

The company is incorporated under the Corporations Act 2011 and is a company limited by guarantee without any share capital. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$2.20 each towards meeting any outstanding obligations of the entity. At 30 June 2017, the number of members was 4,211 and the total amount that members of the company are liable to contribute if the company is wound up is \$9,264.20.

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DIRECTORS' REPORT

Information on Directors

Mr Colin Wynn

Qualifications - Business Owner
Responsibilities - Chairman

Mr Ian Wall

Qualifications - Retired Head Clerk
Responsibilities - Treasurer

Mr John Brown

Qualifications - Small Business Owner
Responsibilities - Senior Vice Chairman

Mr David Lyons

Qualifications - Retired Business Owner
Responsibilities - Junior Vice Chairman

Mrs Delores Spek

Qualifications - Retired Hospital Food Services
Responsibilities - Director

Mr David Ryder

Qualifications - Retired Teacher
Date Resigned - 28/02/2017
Responsibilities - Director

Mr Kevin Storey

Qualifications - Retired Electrician
Responsibilities - Director

Ms Noleen Crawford

Qualifications - Retired Nurse
Responsibilities - Director

Mr Robert Gooch

Qualifications - Retired Tradesperson
Responsibilities - Director

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DIRECTORS' REPORT

Meetings of Directors

During the financial year, 12 meetings of Directors (including committees of directors) were held as well as 8 special meetings for the Chairman & Treasurer.

Attendances by each director during the year were as follows:

	Directors Meetings		Special Meetings	
	Eligible to Attend	Number Attended	Eligible to Attend	Number Attended
Colin Wynn	13	11	-	-
Ian Wall	13	13	-	-
John Brown	13	13	-	-
Robert Gooch	13	10	-	-
David Lyons	13	12	-	-
Noeleen Crawford	13	12	-	-
Delores Spek	13	12	-	-
David Ryder	8	8	-	-
Kevin Storey	13	11	-	-

Auditors' Independence Declaration

The lead auditors' independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30th June 2017 has been received and is set out on page 5.

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

Director:

Mr Colin Wynn

Director:

Mr Ian Wall

Dated this

day of September, 2017

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
GWANDALAN BOWLING CLUB LIMITED**

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2017 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.

Name of Firm: Bentleys Newcastle Assurance

Name of Director: _____

James Barlas

Address: Level 1, 241 Denison Street, Broadmeadow NSW 2292

Dated this **day of September, 2017**

GWANDALAN BOWLING CLUB LIMITED
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Income			
Revenue	2	3,851,170	3,916,936
Other income	2	<u>3,636</u>	<u>38,370</u>
		3,854,806	3,955,306
Changes in inventories of finished goods and work in progress		6,082	14,341
Cost of goods sold		(709,251)	(718,716)
Expenditure			
Accountancy expenses		(21,004)	(31,426)
Advertising expenses		(4,772)	(6,732)
Auditors' remuneration	3	(14,100)	(14,100)
Depreciation and amortisation expenses		(328,378)	(313,311)
Directors' fees		(23,099)	(29,093)
Employee benefits expenses		(1,132,878)	(1,087,471)
Freight and cartage		(796)	(987)
Other expenses		<u>(1,576,705)</u>	<u>(1,582,285)</u>
		<u>(3,804,901)</u>	<u>(3,769,780)</u>
Profit for the year	4	49,905	185,526
Total comprehensive income for the year		<u><u>49,905</u></u>	<u><u>185,526</u></u>

The accompanying notes form part of these financial statements.

GWANDALAN BOWLING CLUB LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	615,254	640,594
Trade and other receivables	6	10,928	22,998
Financial assets	7	947,463	926,642
Inventories	8	53,584	47,502
Other current assets	9	77,623	73,877
TOTAL CURRENT ASSETS		<u>1,704,852</u>	<u>1,711,613</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	4,901,208	4,888,032
Intangible assets	11	3,525	5,624
Other non-current assets	9	63,985	27,178
TOTAL NON-CURRENT ASSETS		<u>4,968,718</u>	<u>4,920,834</u>
TOTAL ASSETS		<u>6,673,570</u>	<u>6,632,447</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	12	248,166	186,992
Borrowings	13	12,850	61,833
Provisions	14	139,028	158,133
Other current liabilities	15	45,985	42,622
TOTAL CURRENT LIABILITIES		<u>446,029</u>	<u>449,580</u>
NON-CURRENT LIABILITIES			
Borrowings	13	-	12,850
Provisions	14	56,589	48,970
TOTAL NON-CURRENT LIABILITIES		<u>56,589</u>	<u>61,820</u>
TOTAL LIABILITIES		<u>502,618</u>	<u>511,400</u>
NET ASSETS		<u>6,170,952</u>	<u>6,121,047</u>
EQUITY			
Retained earnings	16	6,170,952	6,121,047
TOTAL EQUITY		<u>6,170,952</u>	<u>6,121,047</u>

The accompanying notes form part of these financial statements.
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Note	Retained earnings \$	Total \$
Balance at 1 July 2015		5,935,521	5,935,521
Profit attributable to equity shareholders		185,526	185,526
Balance at 30 June 2016		6,121,047	6,121,047
Profit attributable to equity shareholders		49,905	49,905
Balance at 30 June 2017		<u>6,170,952</u>	<u>6,170,952</u>

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

		2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		4,489,585	4,532,725
Payments to suppliers and employees		(3,897,195)	(3,890,994)
Interest received		26,432	20,400
Income tax paid		(188,880)	-
GST paid during the year		-	(215,439)
Net cash provided by operating activities	21	<u>429,941</u>	<u>446,692</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		46,094	46,154
Payments for property, plant and equipment		(380,660)	(324,329)
Payments for investments		(20,821)	(17,567)
Payments for intangibles		(1,251)	(5,184)
Payments for other current assets		(36,807)	(621)
Net cash used in investing activities		<u>(393,446)</u>	<u>(301,548)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(61,833)	(61,833)
Net cash used in financing activities		<u>(61,833)</u>	<u>(61,833)</u>
Net increase (decrease) in cash held		(25,338)	83,310
Cash at beginning of financial year		640,593	557,283
Cash at end of financial year	5	<u>615,256</u>	<u>640,593</u>

The accompanying notes form part of these financial statements.

GWANDALAN BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1 Summary of Significant Accounting Policies

The financial statements cover Gwandalan Bowling Club Limited as an individual entity. Gwandalan Bowling Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 4 September 2017 by the directors of the company.

Basis of Preparation

The financial statements are general purpose financial statements that have 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.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless stated otherwise.

The financial statements are based on historical costs, except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the average cost method.

Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost model.

Assets are carried at cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight line method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed Asset Class	Depreciation Rate
Buildings and Car Park	2.5 - 20%
Greens and Wharf	2.5 - 6.67%
Plant and Equipment	0 - 82.77%
Poker Machines	15%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

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

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 that period.

Leased assets are depreciated over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. The lease is not recognised in the statement of financial position.

Lease incentives under operating leases are recognised as a liability and amortised over the life of the lease term.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The company's trade and most other receivables fall into this category of financial instruments. Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in profit or loss. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

In some circumstances, the company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

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NOTES TO THE FINANCIAL STATEMENTS
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Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

The company did not hold any Available-for-sale financial assets in the current or comparative financial year.

Financial Assets

Financial assets are initially recognised on cost basis, including acquisition charges associated with the financial asset. The carrying amounts of financial assets are reviewed annually by the directors. The recoverable amounts are assessed from the quoted market value for shares in listed companies or the underlying net assets for other non listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts, unless otherwise stated.

Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that any assets may be impaired. The assessment will include considering external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that Standard.

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.

Intangibles

Other intangibles include the company website and are recorded at cost less amortisation. The amortisation rate used is 40% p.a.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

Employee Benefits

Provision is made for the company'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 expected to be settled more than twelve months after the end of the reporting period 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 satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Superannuation

Contributions are made by the entity to an employee superannuation fund and are charged as expensed when incurred. The entity has no legal obligation to provide benefits to employees on retirement.

Provisions

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

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Bar revenue is recognised upon the delivery of the product to the customer.

Commissions are recognised on an accruals basis.

Gaming revenue is recognised net of payouts.

Interest revenue is recognised on a cash basis when received.

All other revenue is recognised on a cash basis.

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

Trade and Other Payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

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).

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

Critical Accounting Estimates and Judgments

The directors make estimates and judgments during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations performed in assessing recoverable amounts incorporated a number of key estimates. No impairment has been recognised in respect of the tangible and intangible assets held by the company.

Key estimates - Provisions

The entity calculates the carrying amount of provisions under AASB 137 based on a variety of available information. The estimation of the provision is based on the net present value and the probability of the employee completing the required number of years to become entitled to the entitlement.

Income Tax Exemption

The board of directors is of the opinion that the Company's exemption from income tax under section 50-45 of the Income Tax Assessment Act 1997 is still valid and the company has no liability for income tax.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
2 Revenue and Other Income		
Revenue		
Sales revenue:		
Sale of goods	3,615,386	3,684,228
Other revenue:		
Interest received	22,931	24,587
Other revenue	<u>212,853</u>	<u>208,121</u>
	<u>235,784</u>	<u>232,708</u>
 Total revenue	 <u><u>3,851,170</u></u>	 <u><u>3,916,936</u></u>
 Other income		
Profit on Sale of Non-current Assets	16,236	38,703
Loss on Sale of Non-current Assets	<u>(12,600)</u>	<u>(333)</u>
Total other income	<u>3,636</u>	<u>38,370</u>
 Interest revenue from:		
Interest Received	<u>22,931</u>	<u>24,587</u>
Total interest revenue	<u>22,931</u>	<u>24,587</u>
 Other revenue from:		
Donations Received	12,832	6,597
Cash to Card	33,551	30,532
Members' Subscriptions	26,035	26,806
Sundry Income	5,384	6,954
Commission	134,848	136,106
Overs / (Unders)	<u>203</u>	<u>1,126</u>
Total other revenue	<u>212,853</u>	<u>208,121</u>
 3 Auditors' Remuneration		
Auditor's Remuneration		
Audit Services	<u>14,100</u>	<u>14,100</u>
	<u>14,100</u>	<u>14,100</u>

GWANDALAN BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
4 Profit for the year		
Profit before income tax from continuing operations includes the following specific expenses:		
Expenses		
Cost of sales	703,169	704,375
Bands and Artists	<u>56,311</u>	<u>66,183</u>
Total finance costs	<u>56,311</u>	<u>66,183</u>
Depreciation of property, plant and equipment	248,502	238,013
Revenue and Other Income		
Profit on Sale of Non-current Assets	16,236	38,703
Loss on Sale of Non-current Assets	<u>(12,600)</u>	<u>(333)</u>
	<u>3,636</u>	<u>38,370</u>
5 Cash and Cash Equivalents		
Cash on Hand	146,330	132,566
Cash at Bank	<u>468,924</u>	<u>508,028</u>
	<u>615,254</u>	<u>640,594</u>
Reconciliation of cash		
Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Cash and cash equivalents	<u>615,256</u>	<u>640,593</u>
	<u>615,256</u>	<u>640,593</u>
6 Trade and Other Receivables		
Current		
Trade Debtors	-	5,653
Other Debtors	<u>10,928</u>	<u>17,345</u>
	<u>10,928</u>	<u>22,998</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
7 Financial Assets		
Current		
Term Deposits	<u>947,463</u>	<u>926,642</u>
8 Inventories		
Current		
At cost:		
Main Bar	41,678	39,775
Men's Bowling Club	7,504	2,900
Greens	<u>4,400</u>	<u>4,827</u>
	<u>53,582</u>	<u>47,502</u>
9 Other Non-Financial Assets		
Current		
Deposits	5,193	5,193
Prepayments	<u>72,430</u>	<u>68,684</u>
	<u>77,623</u>	<u>73,877</u>
Non-Current		
Capital Expenditure in Progress	<u>63,985</u>	<u>27,178</u>

The accompanying notes form part of these financial statements.

GWANDALAN BOWLING CLUB LIMITED
A.B.N 37 001 069 914

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
10 Property, Plant and Equipment		
LAND AND BUILDINGS		
Freehold land at:		
Lots 1 (A, B & C) Gamban Rd & 2-8 Aldinga Rd - At cost	352,185	352,185
	<u>352,185</u>	<u>352,185</u>
Buildings at:		
At cost	643,928	643,928
Less accumulated depreciation	(344,179)	(336,201)
	<u>299,749</u>	<u>307,727</u>
Building Improvements at:		
At Cost	4,056,830	4,011,810
Less accumulated depreciation	(995,348)	(925,624)
	<u>3,061,482</u>	<u>3,086,186</u>
Total Land and Buildings	<u>3,713,416</u>	<u>3,746,098</u>
PLANT AND EQUIPMENT		
Plant and Equipment:		
At cost	2,649,135	2,508,621
Accumulated depreciation	(1,672,871)	(1,557,766)
	<u>976,264</u>	<u>950,855</u>
 Car Park - at cost	 96,556	 94,837
Accumulated depreciation	(84,267)	(82,340)
	<u>12,289</u>	<u>12,497</u>
 Greens & Wharf - at cost	 290,621	 257,313
Accumulated depreciation	(113,440)	(107,587)
	<u>177,181</u>	<u>149,726</u>
 Motor Vehicles - at cost	 93,683	 93,683
Accumulated depreciation	(71,625)	(64,827)
	<u>22,058</u>	<u>28,856</u>
Total Plant and Equipment	<u>1,187,792</u>	<u>1,141,934</u>
Total Property, Plant and Equipment	<u>4,901,208</u>	<u>4,888,032</u>

The accompanying notes form part of these financial statements.
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GWANDALAN BOWLING CLUB LIMITED
A.B.N 37 001 069 914

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$			
Movements in Carrying Amounts of Property, Plant and Equipment					
Movement 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 \$	Greens, Wharf & Carpark \$	Plant and Equipment \$	Motor Vehicle \$	Total \$
Balance at 1 July 2015	3,765,407	156,853	925,376	35,654	4,883,290
Additions	55,665	10,855	257,810	-	324,330
Disposals	-	-	(7,784)	-	(7,784)
Depreciation expense	(74,973)	(5,486)	(224,548)	(6,798)	(311,805)
Balance at 30 June 2016	3,746,099	162,222	950,854	28,856	4,888,031
Additions	45,019	9,023	325,984	-	380,026
Disposals	-	-	(41,822)	-	(41,822)
Depreciation expense	(77,705)	(6,166)	(234,358)	(6,798)	(325,027)
Carrying amount at 30 June 2017	3,713,413	165,079	1,000,658	22,058	4,901,208
Intangible Assets					
Website - at cost				8,549	7,298
Less Accumulated Amortisation				(5,024)	(1,674)
Net carrying amount				3,525	5,624
Total				3,525	5,624
Trade and Other Payables					
Current					
Trade Creditors				124,261	110,766
Other Creditors & Accrued Liabilities				123,905	76,226
				248,166	186,992
All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value					
Borrowings					
Current					
Lease Liability - Aristocrat				12,850	39,349
Lease Liability - Ainsworth Gaming				-	22,484
Total current borrowings				12,850	61,833
Non-Current					
Lease Liability - Aristocrat				-	12,850
Total borrowings				12,850	74,683

GWANDALAN BOWLING CLUB LIMITED
A.B.N 37 001 069 914

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
14 Provisions		
Current		
Provision for Holiday Pay	82,579	99,733
Provision for Long Service Leave	52,403	52,130
Provision for Sick Leave	4,046	6,270
	<u>139,028</u>	<u>158,133</u>
Non-Current		
Provision for Long Service Leave	56,589	48,970
Total provisions	<u>195,617</u>	<u>207,103</u>
15 Other Liabilities		
Current		
Input Tax Credits	(121,944)	(110,674)
GST Collected	167,929	155,340
GST on lease agreements	-	(2,044)
	<u>45,985</u>	<u>42,622</u>
16 Retained Earnings		
Retained earnings at the beginning of the financial year	6,121,047	5,935,521
Net profit attributable to members of the company	49,905	185,526
Retained earnings at the end of the financial year	<u>6,170,952</u>	<u>6,121,047</u>
17 Capital and Leasing Commitments		
Finance Lease Commitments		
Payable - minimum lease payments		
Not later than 12 months	12,850	61,833
Between 12 months and five years	-	12,850
Minimum lease payments	<u>12,850</u>	<u>74,683</u>
Present value of minimum lease payments	<u>12,850</u>	<u>74,683</u>

The Club has one current rental agreement for poker machines which are non-cancellable agreements contracted for a three year term. No capital commitments exist in regards to the rental commitments at year end. The rental agreement is secured by the underlying poker machine.

The accompanying notes form part of these financial statements.

GWANDALAN BOWLING CLUB LIMITED
A.B.N 37 001 069 914

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable - minimum lease payments		
Not later than 12 months	38,119	37,228
Between 12 months and five years	152,475	148,912
Later than five years	228,712	260,596
	<u>419,306</u>	<u>446,736</u>

The property lease is a non-cancellable, 40 year lease expiring 22 June, 2029. Rent is payable a year in advance, payable June each year. The above commitment has been calculated using the rent payable for the year ended 23 June 2018. A market rent review is performed every five years. A review was conducted in 2014 so the next review is not due until 2019. An annual rent review based on CPI occurs every other year. No adjustment has been made for CPI increases.

Capital Expenditure Commitments

Capital expenditure commitments contracted for:

Plant and equipment purchases	<u>-</u>	<u>20,025</u>
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18 Contingent Liabilities

Estimates of the potential financial effect of contingent liabilities that may become payable:

Contingent Liabilities

Registered Mortgages The Commonwealth Bank of Australia holds a registered mortgage over the following items: - the property, Lots 1a, 1b, 1c Gamban Road Gwandalan - the property Lot 42 Gamban Road Gwandalan - the assets of Gwandalan Bowling Club Limited.

<u>-</u>	<u>-</u>
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The accompanying notes form part of these financial statements.

GWANDALAN BOWLING CLUB LIMITED
A.B.N 37 001 069 914

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
<hr/>		
19 Related Party Transactions		
Transactions between related parties are on normal commercial terms and conditions. These terms and conditions are no more favourable than those available to other parties unless otherwise stated.		
Transactions with related parties:		
Colin Woods, CEO, is a shareholder of Helloworld Travel Lisarow. The club has made purchases from Helloworld Travel Lisarow during the year ended 30 June 2017 on normal commercial terms and conditions. There were no amounts outstanding at 30 June 2017.		
Helloworld Travel Lisarow	<u>8,583</u>	<u>14,040</u>

20 Core and Non-Core Property

In accordance with provisions under section 41J(2) of the Registered Clubs Act, the Directors have classified the following assets as core property of the Company:

- The Land at Lot 1 a, b and c Gamban Road
- The Club House
- The Car Park
- The Wharf

A part of the Club House is situated on land leased from the Wyong Shire Council.

The following non-core property has been identified by the Company:

- The Land at Lot 42 Gamban Road
- The Land at Lots 2-8 Aldinga Road

GWANDALAN BOWLING CLUB LIMITED
A.B.N 37 001 069 914

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
21 Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax	49,905	185,526
Non-cash flows in profit		
Profit on sale of non-current assets	(16,236)	(38,703)
Loss on sale of non-current assets	12600	333
Amortisation	73,077	68,501
Depreciation	255,301	244,810
of purchase and disposals of subsidiaries		
(Increase) Decrease in current inventories	(6,081)	(14,342)
(Increase) Decrease in current receivables	12,072	12,497
(Increase) Decrease in prepayments	(3,744)	(1,106)
Increase (Decrease) in trade creditors	61,173	1,284
Increase (Decrease) in GST paid	3,363	(14,606)
Increase (Decrease) in provisions	(11,487)	2,497
	<u>429,941</u>	<u>446,692</u>

GWANDALAN BOWLING CLUB LIMITED
A.B.N 37 001 069 914

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
22 Financial Risk Management		
The company is exposed to a variety of financial risks through its use of financial instruments.		
This note discloses the company's objectives, policies and processes for managing and measuring these risks.		
The company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.		
The company does not speculate in financial assets.		
The company does not have any derivative instruments at 30 June 2017.		
Objectives, Policies and Processes		
Risk management is carried out by the company's risk management committee under the delegated power from the Board of Directors. The Finance Manager has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the company, these policies and procedures are then approved by the risk management committee and tabled at the board meeting following their approval.		
Reports are presented at each Board meeting regarding the implementation of these policies and any risk exposure which the Risk Management Committee believes the Board should be aware of.		
Specific information regarding the mitigation of each financial risk to which company is exposed is provided below.		
The company does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.		
The other classes of receivables do not contain impaired assets.		

23 Company Details

Gwandalan Bowling Club Limited

The principal place of business is:

68 Gamban Road, Gwandalan NSW 2259

GWANDALAN BOWLING CLUB LIMITED
A.B.N 37 001 069 914

DIRECTORS' DECLARATION

The directors of the company declare that:

- 1 The financial statements and notes, as set out on pages 1 to 45, for the year ended 30 June 2017 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - (b) give a true and fair view of the financial position and performance of the
- 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.

Director:

Mr Colin Wynn

Director:

Mr Ian Wall

Dated this day of September, 2017

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GWANDALAN BOWLING CLUB LIMITED
A.B.N. 37 001 069 914**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Gwandalan Bowling Club Limited (the Company) which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

the accompanying financial report of Gwandalan Bowling Club Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) that the financial records kept by the company are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 : *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GWANDALAN BOWLING CLUB LIMITED
A.B.N. 37 001 069 914**

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GWANDALAN BOWLING CLUB LIMITED
A.B.N. 37 001 069 914**

- Obtain an understanding of internal control relevant to the audit 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Name of Director:

James Barlas

Name of Firm:

Bentleys Newcastle Assurance
Certified Practising Accountants

Address:

Level 1, 241 Denison Street, Broadmeadow NSW 2292

Dated this day of 2017