

Gulgong Bowling & Sporting Club Ltd

ABN: 68 001 068 417

Financial Statements

For the Year Ended 30 June 2012

Gulgong Bowling & Sporting Club Ltd

Chairman's Report

Thankyou members for your support during the past twelve months, everything is running smoothly. There is a couple of our staff that have moved on and I would like to congratulate them for their outstanding input to our wonderful Club.

Firstly Mrs Patricia Woods who was on the Cleaning staff when she left however was originally our cook many years ago. Thankyou Pat for all your hard work inside and outside the Clubhouse. Secondly Mark Willis our previous Secretary Manager although still in town decided to take another road to work on. Thankyou Mark for all your work in all areas from Football, Bowls and your voluntary work you carried out for our members.

To all our present staff which includes Bar staff: Bec, Darryl, Hayden, Trish, Bianca & Colleen. Kitchen staff: Colleen, John and all your helpers. Greens Keeper: Bruce for all your efforts inside and out and Cleaning staff: Darryl, Trish & Barbra. I can't thankyou enough for your work during the last twelve months; we couldn't have done without your services.

Colleen Ryan has done a wonderful job in the office, without her efforts (with some input from Mark) we could not have operated as we did so thankyou both for your work very, very much appreciated.

Rebecca Colless has worked above and beyond her duties during this time and a special thankyou to you too.

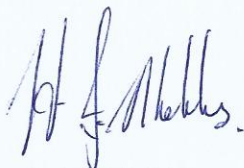
Also a special mention for our members and volunteer's that have supported the club and without your support and input we would not have a Club.

Before I conclude I must thank Robert (Bob) Woods and Les Monks for their continued work counting Poker Machine money which they carry out with great accuracy.

We have appointed Renee McWhirter as our new Secretary Manager. I feel that Renee will do a wonderful job in our club with fresh ideas, great personality and being local lass gives her great advantage. I wish her all the best and will help her as much as I can.

I'd also like to take this opportunity to encourage new members, businesses and sporting bodies to use our Club and its facilities.

And on a final note I would like to share my condolences to family and friends all our departed members, God bless you all.



John Mobbs
Chairman

Gulgong Bowling & Sporting Club Ltd

Dear Members

If I haven't had the pleasure of meeting you or knowing you already, I would like to introduce myself. My name is Renee McWhirter, I was born in Gulgong hospital and grow up in Fisher Street Gulgong, attending Gulgong Pre School, Public and High School. I worked at the Whistling Kettle and Prince of Whales Hotel before moving to the Central Coast and later Sydney. I fell in love with a Gulgong Terriers Football player who was originally from Gilgandra, bought a house in Gulgong, then got married and had three beautiful children. Returning back to the work force, I have progressed and found myself proudly accepting the position of Secretary Manager of the Gulgong Bowling & Sporting Club. Together with the Board of Directors I aim to upgrade the member's facilities while maintaining a good financial result. I would especially like to thank the Board of Directors, Mark Willis, Staff, Members & Guests, Family and Friends for your well wishes and support. I look forward to working and socialising with you all.

Yours sincerely



Renee McWhirter
Secretary Manager

Gulgong Bowling & Sporting Club Ltd
Tallawang Rd, Gulgong NSW 2852
Phone: (02) 63 741 054

Gulgong Bowling & Sporting Club Ltd

Men's Bowls Presidents Report

Hello Bowlers

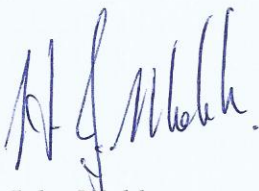
Not a lot of action on the men's front during the past year, with only the No 5 grade making it to zone at Cowra. After a loss to Lithgow Workies in the one off game at Lithgow it was going to be hard to catch up. Although only beaten by Cowra by one shot and Bathurst Magellen by 6 (The winners). They showed the preference to play on grass rather than plastic, well done boys. The No 1 and No 7 grades lost their last games to bow out.

There was better luck for the ladies who made the group playoffs at Parkes and almost made it to state playoffs, great effort. Congratulations to Colleen Ryan on achieving all four district championships. At the group playoffs winning two events Triples and Fours and also finishing runner up in the other two events, Singles and Pairs again congratulations.

At this time I can only give you one of the our Championship results:
T Gorrie – lead and Chris O'Neil – skip defeated David Woods – lead and Mark Gorrie – skip in the Club Pairs. Singles final is between C O'Neil and the old stager Tony Gorrie.

That is about it for this report not a lot I know, I would encourage our Bowling members to the read the notice boards to keep informed. I also encourage more bowlers to play bowls on Saturday afternoons; this will give more opportunity for our new members and help selectors select the appropriate players for our pennants.

“Thank you and Good Bowling to Everyone”



John Mobbs
President

Gulgong Women's Bowling Club

President's Report

Our 60th year has been rewarding in many ways.

We have achieved a good relationship with both the Men's Bowling Club and Club Ltd due this we are now able to cater for wakes enabling us to add to income.

With the men helping us with our bowls we are able to achieve a win in Pennants for the second year and their donations helped with accommodation for Playoffs all this is working towards amalgamation.

The ladies have achieved numerous results with bowls and achieved great wins – recognition.

Starting with awards from the Gulgong Sports Council, for 2011.

Pennants Teams, District Singles, District Fours.

Carried on with Pennants Win 2012, District Singles, pairs, triples and hopefully Fours.

I would like to thank all members who have attended bowls this year and for all they have given when needed.

Thanks must go to the Executive –

Colleen Narelle and Cecily for a job well done.

To Di and Debbie for their work earlier in the year. To Marilyn and her Committee, to the Patrons for all their help, Bruce Rebecca and Staff.

All in all a very successful year.

Gulgong Bowling & Sporting Club Ltd

ABN: 68 001 068 417

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30 June 2012

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Gulgong Bowling & Sporting Club Ltd

ABN: 68 001 068 417

Directors' Report

30 June 2012

Your directors present their report on Gulgong Bowling & Sporting Club Ltd for the financial year ended 30 June 2012.

Directors Information

Directors

The names of the directors in office at any time during, or since the end of, the year and the period that each director has been in office:

Directors Name	Special Responsibilities	Period as Director	Qualifications and Experience
Hilton John Mobbs	Chairman	Appointed 25/08/2010	30 years as director, Mill supervisor
Christopher Ronald Ross	Vice Chairman	Appointed 05/11/2008	5 years as director, Tram leader - water & waste , last meeting attended 3/2012
Peter Leon Conroy	Treasurer	Appointed 02/11/2011	1 year as director, Engineer Ulan Coal
Debbie Jean Lithgow	Director	Appointed 15/12/2010	2 years as director, retired
Malvern Keith Howchin	Director	Appointed 02/11/2011	1 year as director, retired businessman
Peter Francis Ryan	Director	Appointed 02/11/2011	1 year as director, Ulan Coal
Denis Wayne Mealing	Director	Appointed 02/11/2011	1 year as director, Mechanic
Robert James Cuthel	Director	Appointed 08/03/2012	35 years as a director , farmer
John Frederick Haberecht	Director	Appointed 02/11/2011	1 year as director, retired businessman

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

Principal Activities of the Company

The company's principal activities are the provision of bowling and club facilities for its members and guests.

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

Short term objectives of the Company

The company has identified the following short term objectives;

- Improve the consistency and quality of the catering service at the club and reduce annual expense to the club for the catering operations;
- Utilise more effectively and increase revenue streams from the club's sporting and function facilities;
- Provide for a family friendly club that caters for the needs of all our members including those with children;
- Increase board sub committee activity with frequent formal reviews of operations and financial performance;
- Provide the best package of goods, services, facilities and customer service to our members; and
- Ensure that the club has within 2 years trading with a reported profit to the members.

Gulgong Bowling & Sporting Club Ltd

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Directors' Report

30 June 2012

Long term objectives of the company

The company has identified the following long term objectives:

- Reduce the club's dependence on gaming revenue to subsidise catering and the provision of sporting facilities for our members;
- Develop in conjunction with our members and the community land held by the club to provide for diversified income and long term financial stability; and
- Maintain the best bowling greens in the district and continue to promote lawn bowls.

Strategy for achieving the objectives

- Building relationship with local sporting organisations to ensure mutually beneficial outcomes and to promote the club's sporting and function facilities through assisted fundraising and promotion;
- Increased budgetary controls and measures of efficiency for major expenses including utilities;
- Form a club development committee to provide reporting to the board on development and better utilisation of club land; and
- Extensive review off the pricing of all goods and services.

Performance measures

The company uses the following key performance indicators to measure performance;

- Surplus for the 2012 financial year was \$77,920 (2011: -\$65,330). Industry benchmark is earnings before interest, depreciation and tax 16%.
- Membership for the financial year was 1,399 (2011: 1,110).
- the company has complied with all Occupational Health and Safety, Employment and Environmental reviews conducted by external regulatory bodies

Members guarantee

Gulgong Bowling & Sporting Club Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 11 for members that are playing members, life members, junior members and social members and \$ 6 for all other members, subject to the provisions of the company's constitution.

At 30 June 2012 the collective liability of members was \$ 10,727 (2011: \$ 8,511).

Gulgong Bowling & Sporting Club Ltd

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Directors' Report

30 June 2012

Meetings of directors

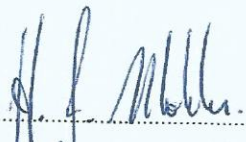
During the financial year, 17 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

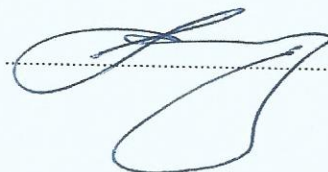
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	Number eligible to attend	Number attended
Hilton John Mobbs	17	16
Christopher Ronald Ross	12	7
Peter Leon Conroy	17	16
Debbie Jean Lithgow	17	16
Malvern Keith Howchin	17	16
Peter Francis Ryan	17	17
Denis Wayne Mealing	17	13
Robert James Cuthel	5	5
John Frederick Haberecht	17	17

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2012 has been received and can be found on page 4 of the financial report.

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

Director: 
Dated 12/10/12

Director: 

Gulgong Bowling & Sporting Club Ltd

ABN: 68 001 068 417

Directors' Report

30 June 2012

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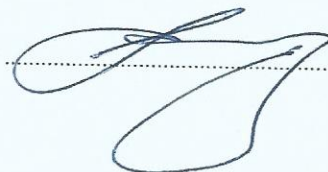
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Dated 12/10/12

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Gulgong Bowling & Sporting Club Ltd

ABN: 68 001 068 417

Directors' Report

30 June 2012

Meetings of directors

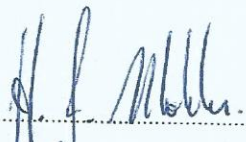
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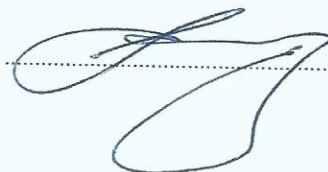
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Director: 
Dated 12/10/12

Director: 

Gulgong Bowling & Sporting Club Ltd

ABN: 68 001 068 417

**Auditors Independence Declaration under Section 307C of
the Corporations Act 2001 to the Directors of Gulgong
Bowling & Sporting Club Ltd**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012, 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.

WHK Audit Services (Central West)

Clare Wagner
Registered Company Auditor

2 Commercial Avenue Dubbo NSW 2830

Gulgong Bowling & Sporting Club Ltd

ABN: 68 001 068 417

Statement of Comprehensive Income

For the Year Ended 30 June 2012

		2012	2011
	Note	\$	\$
Revenue	2	1,409,505	1,124,950
Cost of sales		(404,482)	(326,304)
Employee benefits expense	3(a)	(465,041)	(384,437)
Depreciation and amortisation expense	3(a)	(57,339)	(56,686)
Other expenses	3(a)	(402,202)	(422,548)
Finance costs		(2,521)	(305)
Surplus before income tax		77,920	(65,330)
Income tax expense		-	-
Surplus from continuing operations		77,920	(65,330)
Surplus for the year		77,920	(65,330)
Other comprehensive income:			
Total comprehensive income for the year		77,920	(65,330)

The accompanying notes form part of these financial statements.

Gulgong Bowling & Sporting Club Ltd

ABN: 68 001 068 417

Statement of Financial Position

As At 30 June 2012

	Note	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	273,200	188,699
Trade and other receivables	5	5,753	7,423
Inventories	6	36,440	35,119
Other assets	7	4,200	5,566
TOTAL CURRENT ASSETS		319,593	236,807
NON-CURRENT ASSETS			
Property, plant and equipment	8	702,147	742,655
TOTAL NON-CURRENT ASSETS		702,147	742,655
TOTAL ASSETS		1,021,740	979,462
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	110,044	113,734
Borrowings	10	12,199	8,565
Short-term provisions	11	29,078	64,312
TOTAL CURRENT LIABILITIES		151,321	186,611
NON-CURRENT LIABILITIES			
Borrowings	10	9,102	14,090
Long-term provisions	11	16,383	11,745
TOTAL NON-CURRENT LIABILITIES		25,485	25,835
TOTAL LIABILITIES		176,806	212,446
NET ASSETS		844,934	767,016
EQUITY			
Reserves		173,136	173,136
Retained Earning		671,798	593,880
TOTAL EQUITY		844,934	767,016

The accompanying notes form part of these financial statements.

Gulgong Bowling & Sporting Club Ltd

ABN: 68 001 068 417

Statement of Changes in Equity

For the Year Ended 30 June 2012

2012

	Retained Earnings	Asset Realisation Reserve	Total
	\$	\$	\$
Balance at 1 July 2011	593,880	173,136	767,016
Surplus attributable to members of the entity	77,920	-	77,920
Rounding movement	(2)	-	(2)
Sub-total	77,918	-	77,918
Balance at 30 June 2012	671,798	173,136	844,934

2011

	Retained Earnings	Asset Realisation Reserve	Total
	\$	\$	\$
Balance at 1 July 2010	659,210	173,136	832,346
Deficit for the year	(65,330)	-	(65,330)
Sub-total	(65,330)	-	(65,330)
Balance at 30 June 2011	593,880	173,136	767,016

Gulgong Bowling & Sporting Club Ltd

ABN: 68 001 068 417

Statement of Cash Flows For the Year Ended 30 June 2012

	2012	2011
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,546,582	1,242,038
Payments to suppliers and employees	(1,440,747)	(1,216,199)
Interest received	280	18
Borrowing costs	(2,521)	(305)
Net cash provided by (used in) operating activities	12 <u>103,594</u>	<u>25,552</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	3,436	-
Purchase of property, plant and equipment	(16,831)	(15,813)
Net cash used by investing activities	<u>(13,395)</u>	<u>(15,813)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(11,115)	(3,495)
Net cash used by financing activities	<u>(11,115)</u>	<u>(3,495)</u>
Net increase (decrease) in cash and cash equivalents held	79,084	6,244
Cash and cash equivalents at beginning of year	188,699	182,455
Cash and cash equivalents at end of financial year	4 <u>267,783</u>	<u>188,699</u>

The accompanying notes form part of these financial statements.

Gulgong Bowling & Sporting Club Ltd

ABN: 68 001 068 417

Notes to the Financial Statements

For the Year Ended 30 June 2012

The financial statements are for Gulgong Bowling & Sporting Club Ltd as a not-for-profit individual entity, incorporated and domiciled in Australia. Gulgong Bowling & Sporting Club Limited is a company limited by guarantee.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

Gulgong Bowling and Sporting Club Limited has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and ASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 July 2011.

The financial statements are a general purpose financial statements that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

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

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

(b) Comparative figures

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

(c) 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.

(d) Property, plant and equipment

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

Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In the periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors valuations to ensure the land and buildings carrying amount is not materially different to the fair value.

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the assets.

Land and buildings are measured at cost less accumulated depreciation and impairment losses.

Gulgong Bowling & Sporting Club Ltd

ABN: 68 001 068 417

Notes to the Financial Statements

For the Year Ended 30 June 2012

1 Summary of Significant Accounting Policies continued

(d) Property, plant and equipment continued

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a reducing balance basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Land is not depreciated.

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

Class of Fixed Asset	Note	Depreciation Rate
Buildings		2.5 - 5 %
Plant and Equipment		10 - 40%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

(e) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and

Notes to the Financial Statements

For the Year Ended 30 June 2012

1 Summary of Significant Accounting Policies continued

(e) Financial instruments continued

(d) less any reduction for impairment.

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

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

The company does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

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

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

(iii) Held-to-maturity investments

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

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management.

Notes to the Financial Statements

For the Year Ended 30 June 2012

1 Summary of Significant Accounting Policies continued

(e) Financial instruments continued

They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be sold within 12 months after the end of the reporting period.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Fair value

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

Impairment

Objective evidence that a financial asset is impaired includes default by a debtor, evidence that the debtor is likely to enter bankruptcy or adverse economic conditions in the stock exchange. At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired through the occurrence of a loss event. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to indicate that an impairment has arisen.

Where a subsequent event causes the amount of the impairment loss to decrease (e.g. payment received), the reduction in the allowance account (provision for impairment of receivables) is taken through profit and loss.

However, any reversal in the value of an impaired available for sale asset is taken through other comprehensive income rather than profit and loss.

Impairment losses are recognised through an allowance account for loans and receivables in the statement of comprehensive income.

Derecognition

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

When available-for-sale investments are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2012

1 Summary of Significant Accounting Policies continued

(f) Impairment of non-financial assets

At the end of each reporting year, 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 value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

(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 which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(h) 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.

(i) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(j) Income tax

No provision for income tax has been raised as the company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(k) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that 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 on a straight-line basis 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 on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Gulgong Bowling & Sporting Club Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2012

1 Summary of Significant Accounting Policies continued

(l) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

(m) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates - impairment

The club assesses impairment at the end of the reporting year by evaluating conditions specific to the club that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - fair value of land and buildings

The club carries its land and buildings at fair value with changes in the fair value recognised in revaluation reserve. Independent valuations are obtained at least triennially and at the end of each reporting period, the directors update their assessment of the fair value of each property, taking into account the most recent valuations and movements in the market.

2 Revenue and Other Income

Revenue from continuing operations

	2012	2011
	\$	\$
- Bar sales	531,098	542,058
- Bistro & catering sales	230,783	46,416
- Poker machines revenue	466,902	349,273
- interest received	280	18
- GST rebate	17,180	11,826
- Raffles	67,462	60,452
- Subscriptions	10,602	10,891
- Competition revenue	7,712	5,460
- Commission received	30,735	32,598
- Other revenue	46,751	65,958
Total Revenue	1,409,505	1,124,950

Gulgong Bowling & Sporting Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2012

3 Result for the Year

(a) Expenses

	2012	2011
	\$	\$
Depreciation and amortisation	57,339	56,686
Total Depreciation and Amortisation	57,339	56,686
Interest expense	2,521	305
Employee benefits expense	465,041	384,437
Other expenses		
Advertising & promotions expense	132,241	143,771
Insurance expense	11,749	9,946
Entertainment and membership expense	64,230	68,631
Poker machine duty	-	689
repairs and maintenance expense	27,252	22,264
Utilities expense	54,533	53,493
Other operating expenses	112,197	123,752
Total other expense	402,202	422,546

4 Cash and Cash Equivalents

	2012	2011
	\$	\$
Cash on hand	28,750	26,750
Cash on Bank	244,450	161,949
Total Cash at bank and in hand	273,200	188,699

5 Trade and Other Receivables

	2012	2011
	\$	\$
CURRENT		
Trade receivables	2,481	1,437
Other receivables	3,272	5,986
Total current trade and other receivables	5,753	7,423

6 Inventories

	2012	2011
	\$	\$
CURRENT		
At cost:		
Stock on hand	36,440	35,119
	36,440	35,119

Gulgong Bowling & Sporting Club Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2012

7 Other Assets

	2012	2011
	\$	\$
CURRENT		
Prepayments	4,200	5,566

8 Property, Plant and Equipment

LAND AND BUILDINGS

Freehold land		
At directors' valuation	229,000	229,000
Total Land	<u>229,000</u>	<u>229,000</u>
Building		
At cost	371,000	371,000
Accumulated depreciation	(23,740)	(9,275)
Total buildings	<u>347,260</u>	<u>361,725</u>
Total land and buildings	<u>576,260</u>	<u>590,725</u>
Plant and equipment		
At cost	681,413	672,582
Accumulated depreciation	(555,526)	(520,652)
Total plant and equipment	<u>125,887</u>	<u>151,930</u>
Total plant and equipment	<u>125,887</u>	<u>151,930</u>
Total property, plant and equipment	<u><u>702,147</u></u>	<u><u>742,655</u></u>

(a) Movements in Carrying Amounts

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

	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
Balance at the beginning of year	229,000	361,725	151,930	742,655
Additions	-	-	16,831	16,831
Depreciation expense	-	(14,465)	(42,874)	(57,339)
Balance at 30 June 2012	<u><u>229,000</u></u>	<u><u>347,260</u></u>	<u><u>125,887</u></u>	<u><u>702,147</u></u>

The revaluation of land and buildings were based on the assessment of their current market value as at 14th September 2010. The independent revaluations were carried out by Mr Hugh G Bateman, F.R.E.A.V, F.R.E.I, T.A.A.P.I. Registered value number 123.

Gulgong Bowling & Sporting Club Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2012

9 Trade and Other Payables

	2012	2011
	\$	\$
CURRENT		
Sundry payables and accrued expenses	29,696	39,041
Trade payables	80,348	74,693
	<u>110,044</u>	<u>113,734</u>

10 Borrowings

	2012	2011
	\$	\$
CURRENT		
Hire Purchase liabilities	10,032	8,565
Other financial liabilities	2,167	-
Total current borrowings	<u>12,199</u>	<u>8,565</u>

	2012	2011
	\$	\$
NON-CURRENT		
Hire purchase liabilities	5,852	14,090
Other financial liabilities	3,250	-
Total non-current borrowings	<u>9,102</u>	<u>14,090</u>
Total borrowings	<u>21,301</u>	<u>22,655</u>

11 Provisions

Analysis of total provisions

	2012	2011
	\$	\$
Current	29,078	64,312
Non-current	16,383	11,745
	<u>45,461</u>	<u>76,057</u>

12 Cash Flow Information

(a) Reconciliation of cash

	2012	2011
	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	273,200	188,699

Gulgong Bowling & Sporting Club Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2012

12 Cash Flow Information continued

(b) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2012	2011
	\$	\$
Surplus/(deficit) for the year	77,920	(65,330)
Cash flows excluded from surplus/(deficit) attributable to operating activities		
Non-cash flows in profit:		
- depreciation	57,339	56,686
- net gain on disposal of property, plant and equipment	(3,436)	1,551
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	1,670	6,164
- (increase)/decrease in other assets	1,366	784
- (increase)/decrease in inventories	(1,321)	(10,899)
- increase/(decrease) in trade and other payables	654	31,730
- increase/(decrease) in provisions	(30,598)	4,866
Cashflow from operations	<u>103,594</u>	<u>25,552</u>

13 Events after the end of the Reporting Period

The financial report was authorised for issue on 10 October 2012 by the Board of Directors.

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.

14 Company Details

The registered office of and principal place of business of the company is:

Gulgong Bowling & Sporting Club Ltd
Tallawang Road
Gulgong NSW 2852

15 Members' Guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$ 11 each towards meeting any outstandings and obligations of the company. At 30 June 2012 the number of members was 1,399 (2011: 1,110).

Gulgong Bowling & Sporting Club Ltd

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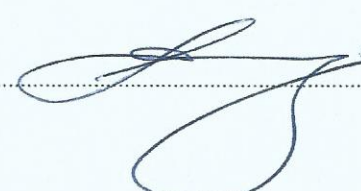
Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 18, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards - Reduced Disclosure Requirement; and
 - b. give a true and fair view of the financial position as at 30 June 2012 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.

Director 

Director 

Dated 12 10 12.

Gulgong Bowling & Sporting Club Ltd

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Independent Audit Report to the members of Gulgong Bowling & Sporting Club Ltd

Report on the Financial Report

We have audited the accompanying financial report of Gulgong Bowling & Sporting Club Ltd, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility 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 - Reduced Disclosure Requirements 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.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company'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.

Gulgong Bowling & Sporting Club Ltd

ABN: 68 001 068 417

Independent Audit Report to the members of Gulgong Bowling & Sporting Club Ltd

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*, which has been given to the directors of Gulgong Bowling & Sporting Club Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion the financial report of Gulgong Bowling & Sporting Club Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

WHK Audit Services (Central West)

Clare Wagner
Registered Company Auditor

2 Commercial Avenue Dubbo NSW