



Crowe Horwath™

GULGONG BOWLING CLUB & SPORTING CLUB LTD  
ABN: 68 001 068 417

# Financial Statements Including Audit Report

For the year ended 30 June 2014

## GULGONG MEN'S BOWLING CLUB

### PRESIDENT'S REPORT 2014

Thank you bowlers for another successful year of bowls.

Our No.7 Pennant Side had a great year first winning the District against Mudgee to advance to the zone playoffs at Blacktown Workers Club where they were successful in a one shot win in the final game. Next the State Playoffs.

The weekend of the 9<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> of August saw our No.7's travel to Sylvania in southern Sydney for this prestigious event. The first game against Adamstown was a resounding victory for Gulgong followed by another success over Bega. Sunday they took a good margin into their game against Halekalani and after a torrid struggle continued their winning form with a two shot victory.

On to the Semi Final against another much larger club in East Maitland managed by Clay Parker, a very capable coach. After 63 ends the scores were locked up at 56 all. An extra end had to be played by the three teams. On each rink once again the scores were tied at 58 shots all and yet another end was called.

Lin Grey's team finished one shot up with Jim Parkin's team two shots down and Peter Ryan's team finished two shots up giving Gulgong a win 61 shots to 60 after a very tense and exciting game, taking them to the final of the State Pennant Playoffs.

Monday morning was overcast with the overnight rain blown away by a very cold south west wind and the battle began against Coonamble. After a very close first half Coonamble pulled ahead and managed to maintain their lead to run out winners of the 2014 State Final.

Our no.2 Pennant Side made it through the district to zone playoffs and after a win over Picton were defeated by Penrith who went on to play in the semi final of the State Playoffs. Congratulations to the no.2's for a very solid effort in 2014.

Thank you to all players, reserves and supporters for their contribution to a great Pennant Season.

Paul Hollingsworth and Chris O'Neill have won through to the Champion of Club Champion Pairs and will compete at Austral in the Zone Playoffs. We wish them the best of luck.

In District events Gulgong won the Pairs and Triples and were runner up in the Fours. A great effort.

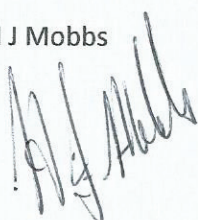
I would like to congratulate our new ladies club President, Teri Gorrie and wish you a very successful year in your new role. I look forward to working with you during your term in office.

Congratulations to you and your team, Niki and Debbie, for your success in the zone triples and best of luck in the State Playoffs in Foster Tuncurry in October.

Thank you to all bowlers for your support over the past twelve months, I am looking forward to a great 2015 to build on our very successful year.

Good Bowling

HJ Mobbs



## CHAIRMANS REPORT

2014

Hello Members,

Another year has passed and once again it has been a tough one with more red tape to overcome and finances still tight. We have taken steps to deal with each of the issues as they arise and we are confident that we have been able to 'steady the ship'.

Our new outdoor gaming area is proving to be popular and it is the only one so far in town. We have made an effort to update badge draws, raffles and special promotions during the year to keep our patrons interested.

I would like to take this opportunity to thank our members for their ongoing support over the past year, without your loyalty we could not function, and certainly the financial success of all our local businesses is crucial to our community.

Our staff have again been wonderful in the manner in which they have handled changes and updates in procedures, which they carry out week in and week out. Without singling out any one staff member I would like to thank you all for a job well done, I consider we have the best staff in town by a long way.

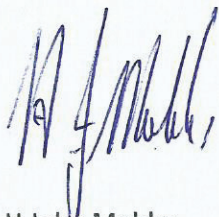
To our Directors whose efforts have not gone without notice, you have overcome all problems over the year with professionalism and your work is beginning to bear fruit. Thank you for your support.

We welcome our new cooks Kenny and Yvonne to our Club and our lovely town, we look forward to a long and prosperous relationship with you. To our previous Bistro staff – your efforts and loyalty will not be forgotten, thank you so much for your support.

In closing I would again like to thank you all for your support and I look forward to seeing you at the best Club in town and you never know I may even shout in turn.

I wish you all a very Merry Christmas and a Happy New Year.

Our condolences to the families of our departed members and God bless you all.



H John Mobbs

Chairman

## SECRETARY MANAGERS REPORT

2014

The financial report for the past year does not show the result that we would have all hoped for, though I believe it does reflect the change in the economic circumstances of our community.

We welcome the new proprietors of the Bistro, Kenny and Yvonne, who are proving to be very popular. We wish them well in their efforts to provide our members with a great Chinese and Australian menu.

Our Club continues to support community projects and local sporting bodies both financially and by making our clubhouse and facilities available where possible. We will continue to welcome members and guests to hold their functions, meetings, fun days etc, and will do all that we can to ensure your events are successful. We provide a wide range of both sporting and social facilities for your pleasure and we encourage you to make use of them whenever possible. If you think this is beginning to sound like an advertisement you would be right! Remember the old saying – *'use it or lose it'*, this rings true for all of your local businesses.

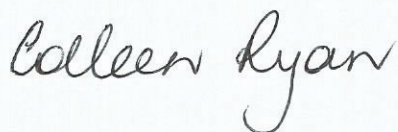
The past year has been a busy one with ongoing updates to our facilities including a new outdoor area which we have dubbed 'The Hilton' in recognition of the efforts of John and his Directors in building this addition for the Club. There have been many equipment updates necessary this year both in the Bistro and the Club Administration area, and we have undertaken a maintenance program for both indoor and outdoor facilities to guarantee we can provide the best possible social experiences for our members.

Our staff and directors have undertaken quite a load of training over the past year to ensure we remain compliant with the relevant laws governing our industry and to acquire competency with the facilities that we provide to our members. Their commitment to these requirements is testament of their loyalty to your Club and reflects a work ethic which I doubt could be matched elsewhere. Our staff endeavour to provide a safe and friendly atmosphere every day and I thank each one of them for their outstanding efforts and their friendship and support without which this club could not operate.

I would like to thank all of our members for their support and remind you all that this is your club and you should exercise your right to an opinion. To this end I encourage you all to take the opportunity to do so by attending your Annual General Meeting to vote.

My door is also always open should you have issues which you would like to discuss and I will welcome constructive feedback on all issues relating to our Club.

In closing I would like to commend every Director, Staff Member and volunteer for their outstanding contributions over the past twelve months. A community club such as ours depends on the generosity and hard work of these people to prosper.



Colleen Ryan

# Gulgong Bowling & Sporting Club Ltd

ABN: 68 001 068 417

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## **Directors' Report**

**30 June, 2014**

The directors present their report on Gulgong Bowling & Sporting Club Ltd for the financial year ended 30 June, 2014.

### **1. General information**

#### **Information on directors**

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

John Hilton Mobbs

Experience Previously a Director/Chairman of Gulgong Bowling & Sporting Club.  
Reappointed 30/10/2013.

Special responsibilities Chairman  
Committees Finance Committee and Building Committee

Graham Germon

Experience Previous Director  
Special responsibilities Vice Chairman  
Committees Entertainment Committee

Alex Lithgow

Experience Appointed on 30/10/2013  
Special responsibilities Vice Chairman  
Committees Finance Committee

Julie Wood

Experience Appointed on 30/10/2013  
Special responsibilities Treasurer

Haydn Clarke

Experience Period served from 29/12/2012 to 30/10/2013  
Special responsibilities Director

Andrew Cuthel

Experience Previously a Director of Gulgong Bowling & Sporting Club.  
Special responsibilities Director

Allan Crawley

Experience Period Served from 07/11/2012 to 30/10/2013  
Special responsibilities Director

Kenneth Fuller

Experience Period served from 07/11/2012 to 30/10/2013  
Special responsibilities Director

Debbie Lithgow

Experience Previous Director  
Special responsibilities Director

## **Directors' Report**

**30 June, 2014**

Kathryn Metcraft

Experience Appointed on 30/10/2013

Special responsibilities Director

Mark O'Regen

Experience Period served from 17/12/2012 to 30/10/2013

Special responsibilities Director

Russell Pitt

Experience Appointed on 30/10/2013

Special responsibilities Director

Committees Building Committee

Dianne Samuels

Experience Period served from 17/11/2012 to 30/10/2013

Special responsibilities Director

Steven Wood

Experience Appointed on 30/10/2013.

Special responsibilities Director

Committees Finance Committee

Robert Woods

Experience Period Served from 07/11/2012 to 30/10/2013

Special responsibilities Director

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

### **Principal activities**

The principal activity of Gulgong Bowling & Sporting Club Ltd during the financial year was to provide bowling and club facilities for its members and guests.

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

### **Short term objectives**

The Company's short term objectives are to:

- Improve the consistency and quality of the catering service at the club and reduce annual expenses 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

## **Directors' Report**

**30 June, 2014**

- Ensure that the club has within 1 year trading with a reported profit to the members.

### **Long term objectives**

The Company's long term objectives are to:

- 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**

To achieve these objectives, the Company has adopted the following strategies:

- 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 following measures are used within the Company to monitor performance:

- The company made a loss of (\$31,719) for the 2014 financial year (2013: \$38,481). Industry has experienced a decline over the past year.
- Membership for the financial year was 1104 (2013: 1148)
- The company has complied with all Workplace 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 \$ 5.50 for all other members, subject to the provisions of the company's constitution.

At 30 June, 2014 the collective liability of members was \$ 10,511 (2013: \$ 10,337).



**Gulgong Bowling & Sporting Club Ltd**

ABN: 68 001 068 417

**Directors' Report**

**30 June, 2014**

**Meetings of directors**

During the financial year, 14 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

|                   | Directors' Meetings       |                 |
|-------------------|---------------------------|-----------------|
|                   | Number eligible to attend | Number attended |
| John Hilton Mobbs | 14                        | 14              |
| Alex Lithgow      | 14                        | 13              |
| Graham Geron      | 14                        | 13              |
| Steven Wood       | 14                        | 14              |
| Debbie Lithgow    | 14                        | 12              |
| Julie Wood        | 14                        | 14              |
| Russell Pitt      | 14                        | 14              |
| Andrew Cutbel     | 14                        | 12              |
| Kathryn Metcraft  | 14                        | 6               |
| John Mobbs        | 14                        | 14              |

**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, 2014 has been received and can be found on page 5 of the financial report.

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

Director: 

Director: 

Dated 10.9.14 .

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[www.crowehorwath.com.au](http://www.crowehorwath.com.au)**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 2014, 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.

*Crowe Horwath Central West*  
Crowe Horwath Central West

*Clare Wagner*

**Clare Wagner**  
**Audit Partner**  
**Registered Company Auditor No. 335972**

Date: 12 September 2014

2 Commercial Avenue, Dubbo NSW 2830

**Statement of Profit or Loss and Other Comprehensive Income**

**For the Year Ended 30 June, 2014**

|                                                |             | <b>2014</b>      | <b>2013</b> |
|------------------------------------------------|-------------|------------------|-------------|
|                                                | <b>Note</b> | <b>\$</b>        | <b>\$</b>   |
| Revenue                                        | 2           | <b>1,184,981</b> | 1,372,873   |
| Sale of goods                                  |             | <b>(323,980)</b> | (428,120)   |
| Employee benefits expense                      | 3           | <b>(437,539)</b> | (518,671)   |
| Depreciation and amortisation expense          | 3           | <b>(68,265)</b>  | (55,278)    |
| Other expenses                                 | 3           | <b>(386,916)</b> | (408,307)   |
| Finance costs                                  |             | -                | (978)       |
| <b>Profit before income tax</b>                |             | <b>(31,719)</b>  | (38,481)    |
| Income tax expense                             |             | -                | -           |
| <b>Profit from continuing operations</b>       |             | <b>(31,719)</b>  | (38,481)    |
| <b>Profit for the year</b>                     |             | <b>(31,719)</b>  | (38,481)    |
| <b>Total comprehensive income for the year</b> |             | <b>(31,719)</b>  | (38,481)    |

# Gulgong Bowling & Sporting Club Ltd

ABN: 68 001 068 417

## Statement of Financial Position

30 June, 2014

|                                      | Note | 2014<br>\$     | 2013<br>\$     |
|--------------------------------------|------|----------------|----------------|
| <b>ASSETS</b>                        |      |                |                |
| <b>CURRENT ASSETS</b>                |      |                |                |
| Cash and cash equivalents            | 4    | 231,695        | 220,285        |
| Trade and other receivables          | 5    | 346            | 11,947         |
| Inventories                          | 6    | 23,227         | 34,113         |
| Other assets                         | 7    | 9,539          | 9,529          |
| <b>TOTAL CURRENT ASSETS</b>          |      | <b>264,807</b> | <b>275,874</b> |
| <b>NON-CURRENT ASSETS</b>            |      |                |                |
| Property, plant and equipment        | 8    | 688,644        | 688,818        |
| <b>TOTAL NON-CURRENT ASSETS</b>      |      | <b>688,644</b> | <b>688,818</b> |
| <b>TOTAL ASSETS</b>                  |      | <b>953,451</b> | <b>964,692</b> |
| <b>LIABILITIES</b>                   |      |                |                |
| <b>CURRENT LIABILITIES</b>           |      |                |                |
| Trade and other payables             | 9    | 64,165         | 81,767         |
| Borrowings                           | 10   | 20,501         | 10,691         |
| Current                              | 11   | 45,198         | 40,063         |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | <b>129,864</b> | <b>132,521</b> |
| <b>NON-CURRENT LIABILITIES</b>       |      |                |                |
| Borrowings                           | 10   | 33,154         | 10,278         |
| Long-term provisions                 | 11   | 15,250         | 14,990         |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |      | <b>48,404</b>  | <b>25,268</b>  |
| <b>TOTAL LIABILITIES</b>             |      | <b>178,268</b> | <b>157,789</b> |
| <b>NET ASSETS</b>                    |      | <b>775,183</b> | <b>806,903</b> |
| <b>EQUITY</b>                        |      |                |                |
| Reserves                             |      | 173,136        | 173,136        |
| Retained earnings                    |      | 602,047        | 633,767        |
| <b>TOTAL EQUITY</b>                  |      | <b>775,183</b> | <b>806,903</b> |

The accompanying notes form part of these financial statements.

**Statement of Changes in Equity**

**For the Year Ended 30 June, 2014**

**2014**

|                                               | Retained Earnings | Asset Realisation Reserve | Total          |
|-----------------------------------------------|-------------------|---------------------------|----------------|
|                                               | \$                | \$                        | \$             |
| <b>Balance at 1 July 2013</b>                 | 633,767           | 173,136                   | 806,903        |
| Surplus attributable to members of the entity | (31,719)          | -                         | (31,719)       |
| Rounding movement                             | (1)               | -                         | (1)            |
| <b>Balance at 30 June 2014</b>                | <b>602,047</b>    | <b>173,136</b>            | <b>775,183</b> |

**2013**

|                                               | Retained Earnings | Asset Realisation Reserve | Total          |
|-----------------------------------------------|-------------------|---------------------------|----------------|
|                                               | \$                | \$                        | \$             |
| <b>Balance at 1 July 2012</b>                 | 671,798           | 173,136                   | 844,934        |
| Surplus attributable to members of the entity | (38,481)          | -                         | (38,481)       |
| Prior year adjustment                         | 450               | -                         | 450            |
| <b>Balance at 30 June 2013</b>                | <b>633,767</b>    | <b>173,136</b>            | <b>806,903</b> |

**Statement of Cash Flows**

**For the Year Ended 30 June, 2014**

|                                                           | 2014                    | 2013                  |
|-----------------------------------------------------------|-------------------------|-----------------------|
| Note                                                      | \$                      | \$                    |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>              |                         |                       |
| Receipts from customers                                   | 1,184,981               | 1,364,338             |
| Payments to suppliers and employees                       | (1,143,126)             | (1,376,334)           |
| Interest received                                         | 4,960                   | 2,341                 |
| Borrowing costs                                           | -                       | (978)                 |
| Net cash provided by (used in) operating activities       | 15 <u>46,815</u>        | <u>(10,633)</u>       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>              |                         |                       |
| Purchase of property, plant and equipment                 | <u>(68,091)</u>         | (41,950)              |
| Net cash used by investing activities                     | <u>(68,091)</u>         | <u>(41,950)</u>       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>              |                         |                       |
| Increase in finance lease commitments                     | 50,370                  | -                     |
| Repayment of finance lease commitments                    | (6,998)                 | -                     |
| Payment of borrowings                                     | <u>(10,686)</u>         | (332)                 |
| Net cash used by financing activities                     | <u>32,686</u>           | <u>(332)</u>          |
| Net increase (decrease) in cash and cash equivalents held | 11,410                  | (52,915)              |
| Cash and cash equivalents at beginning of year            | <u>220,285</u>          | <u>273,200</u>        |
| Cash and cash equivalents at end of financial year        | 4 <u><u>231,695</u></u> | <u><u>220,285</u></u> |

## **Notes to the Financial Statements**

### **For the Year Ended 30 June, 2014**

The financial statements are for Gulgong Bowling & Sporting Club Ltd as a not-for-profit individual entity.

The functional and presentation currency of Gulgong Bowling & Sporting Club Ltd is Australian dollars.

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

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 Amounts**

Comparatives are consistent with prior years, unless otherwise stated.

##### **(c) Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and are net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

##### **(d) Property, Plant and Equipment**

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below.

Where the cost model is used, the asset is carried at its 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.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

##### **Land and buildings**

Land and buildings are measured using the cost model.

## **Notes to the Financial Statements**

**For the Year Ended 30 June, 2014**

### **1 Summary of Significant Accounting Policies continued**

#### **(d) Property, Plant and Equipment continued**

Freehold land and buildings that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

##### **Plant and equipment**

Plant and equipment are measured using the cost model.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

##### **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:

| <b>Fixed asset class</b> | <b>Depreciation rate</b> |
|--------------------------|--------------------------|
| Buildings                | 2.5% - 5%                |
| Plant and Equipment      | 10% - 40%                |

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.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

#### **(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.



## **Notes to the Financial Statements**

**For the Year Ended 30 June, 2014**

### **1 Summary of Significant Accounting Policies continued**

*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
- (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.

#### **(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.

## **Notes to the Financial Statements**

**For the Year Ended 30 June, 2014**

### **1 Summary of Significant Accounting Policies continued**

#### *(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. 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.

#### *Impairment of financial assets*

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

#### **Financial assets at amortised cost**

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

#### **Available-for-sale financial assets**

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

Comparatives are consistent with prior years, unless otherwise stated.

#### **(f) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. All of which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

## **Notes to the Financial Statements**

**For the Year Ended 30 June, 2014**

### **1 Summary of Significant Accounting Policies continued**

#### **(g) 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.

#### **(h) 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*.

#### **(i) Finance 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 charges 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.

#### **(j) Goods and Services Tax (GST)**

Revenue, 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 payable 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 component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### **(k) Critical accounting estimates and judgements**

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

## **Notes to the Financial Statements**

**For the Year Ended 30 June, 2014**

### **1 Summary of Significant Accounting Policies continued**

#### **(k) Critical accounting estimates and judgements continued**

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 Club assesses impairment at the end of the reporting year by evaluating conditions specific for 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 as a revaluation reserve. Independent valuations are obtained at least triannually 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.

#### **(l) Adoption of new and revised accounting standards**

During the current year, the following standards became mandatory and have been adopted retrospectively by the Company:

- *AASB 13 Fair Value Measurement*
- *AASB 119 Employee Benefits*

The accounting policies have been updated to reflect changes in the recognition and measurement of assets, liabilities, income and expenses and the impact of adoption of these standards is discussed below.

*AASB 13 Fair Value Measurement* does not change what and when assets or liabilities are recorded at fair value. It provides guidance on how to measure assets and liabilities at fair value, including the concept of highest and best use for non-financial assets. *AASB 13* has not changed the fair value measurement basis for any assets or liabilities held at fair value, however additional disclosures on the methodology and fair value hierarchy have been included in the financial statements.

*AASB 119 Employee benefits* changes the basis for determining the income or expense relating to defined benefit plans and introduces revised definitions for short-term employee benefits and termination benefits.

The Company reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period. Whilst this has been considered to be a long-term employee benefits for the purpose of measuring the leave under *AASB 119*, the effect of discounting was not considered to be material and therefore has not been performed.

In accordance with the transition provisions in the standard, the comparative figures have been restated.

## Notes to the Financial Statements

For the Year Ended 30 June, 2014

### 2 Revenue and Other Income

#### Revenue from continuing operations

Finance income includes all interest-related income, other than those arising from financial assets at fair value through profit or loss. The following amounts have been included in the finance income line in the statement of profit or loss and other comprehensive income for the reporting periods presented:

|                             | 2014                    | 2013                    |
|-----------------------------|-------------------------|-------------------------|
|                             | \$                      | \$                      |
| Sales revenue               |                         |                         |
| - Bar sales                 | 508,305                 | 556,309                 |
| - Bistro and catering sales | 110,142                 | 250,011                 |
| - Poker machines revenue    | 348,260                 | 375,927                 |
|                             | <u>966,707</u>          | <u>1,182,247</u>        |
| Finance income              |                         |                         |
| - Interest received         | 4,960                   | 2,341                   |
| Other revenue               |                         |                         |
| - GST rebate                | 17,180                  | 17,180                  |
| - Raffles                   | 50,720                  | 57,778                  |
| - Subscriptions             | 12,262                  | 11,679                  |
| - Commission received       | 48,864                  | 37,304                  |
| - Other revenue             | 80,215                  | 59,369                  |
| - Competition revenue       | 4,073                   | 4,975                   |
|                             | <u>218,274</u>          | <u>190,626</u>          |
| <b>Total Revenue</b>        | <u><b>1,184,981</b></u> | <u><b>1,372,873</b></u> |

### 3 Result for the Year

#### (a) Expenses

|                                       | 2014           | 2013           |
|---------------------------------------|----------------|----------------|
|                                       | \$             | \$             |
| Depreciation and amortisation expense | 68,265         | 55,278         |
| Total Depreciation and Amortisation   | <u>68,265</u>  | <u>55,278</u>  |
| Interest expense                      | -              | 978            |
| Employee benefits expense             | 437,539        | 518,671        |
| Other expenses                        |                |                |
| Advertising & promotions              | 118,520        | 133,592        |
| Insurance                             | 15,875         | 13,248         |
| Entertainment & membership            | 51,829         | 61,622         |
| Repairs and maintenance               | 17,676         | 24,333         |
| Utilities                             | 64,441         | 64,710         |
| Other operating expenses              | 118,575        | 110,803        |
| Total other expenses                  | <u>386,916</u> | <u>408,308</u> |

## Notes to the Financial Statements

For the Year Ended 30 June, 2014

### 4 Cash and cash equivalents

|                                       | 2014           | 2013           |
|---------------------------------------|----------------|----------------|
|                                       | \$             | \$             |
| Cash on hand                          | 30,754         | 28,750         |
| Cash at bank                          | 200,941        | 191,535        |
| <b>Total cash at bank and in hand</b> | <b>231,695</b> | <b>220,285</b> |

### 5 Trade and other receivables

|                                                  | 2014       | 2013          |
|--------------------------------------------------|------------|---------------|
|                                                  | \$         | \$            |
| CURRENT                                          |            |               |
| Other receivables                                | 346        | 11,947        |
| <b>Total current trade and other receivables</b> | <b>346</b> | <b>11,947</b> |

#### (a) Impairment of receivables

Reconciliation of changes in the provision for impairment of receivables is as follows:

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

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

### 6 Inventories

|               | 2014   | 2013   |
|---------------|--------|--------|
|               | \$     | \$     |
| CURRENT       |        |        |
| At cost:      |        |        |
| Stock on hand | 23,227 | 34,113 |
|               | 23,227 | 34,113 |
|               | 23,227 | 34,113 |

### 7 Other assets

|                 | 2014  | 2013  |
|-----------------|-------|-------|
|                 | \$    | \$    |
| CURRENT         |       |       |
| Prepayments     | 4,539 | 4,529 |
| Tabcorp deposit | 5,000 | 5,000 |
|                 | 9,539 | 9,529 |

**Notes to the Financial Statements**

**For the Year Ended 30 June, 2014**

**8 Property, plant and equipment**

|                                            |                  |           |
|--------------------------------------------|------------------|-----------|
| Leasehold land                             |                  |           |
| At directors' valuation                    | <b>229,000</b>   | 229,000   |
| Total Land                                 | <b>229,000</b>   | 229,000   |
| <hr/>                                      |                  |           |
| Buildings                                  |                  |           |
| At cost                                    | <b>371,000</b>   | 371,000   |
| Accumulated depreciation                   | <b>(52,670)</b>  | (38,205)  |
| Total buildings                            | <b>318,330</b>   | 332,795   |
| Total land and buildings                   | <b>547,330</b>   | 561,795   |
| <hr/>                                      |                  |           |
| <b>PLANT AND EQUIPMENT</b>                 |                  |           |
| Plant and equipment                        |                  |           |
| At cost                                    | <b>797,960</b>   | 729,869   |
| Accumulated depreciation                   | <b>(656,646)</b> | (602,846) |
| Total plant and equipment                  | <b>141,314</b>   | 127,023   |
| Total plant and equipment                  | <b>141,314</b>   | 127,023   |
| <b>Total property, plant and equipment</b> | <b>688,644</b>   | 688,818   |

**(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:

|                                       | <b>Land</b>    | <b>Buildings</b> | <b>Plant and<br/>Equipment</b> | <b>Total</b>    |
|---------------------------------------|----------------|------------------|--------------------------------|-----------------|
| <b>Parent</b>                         | <b>\$</b>      | <b>\$</b>        | <b>\$</b>                      | <b>\$</b>       |
| <b>Year ended 30 June 2014</b>        |                |                  |                                |                 |
| Balance at the beginning of the year  | <b>229,000</b> | <b>332,795</b>   | <b>127,023</b>                 | <b>688,818</b>  |
| Additions                             | -              | -                | <b>68,091</b>                  | <b>68,091</b>   |
| Depreciation expense                  | -              | <b>(14,465)</b>  | <b>(53,800)</b>                | <b>(68,265)</b> |
| <b>Balance at the end of the year</b> | <b>229,000</b> | <b>318,330</b>   | <b>141,314</b>                 | <b>688,644</b>  |

**Notes to the Financial Statements**

**For the Year Ended 30 June, 2014**

**9 Trade and other payables**

|                                      | 2014          | 2013          |
|--------------------------------------|---------------|---------------|
|                                      | \$            | \$            |
| CURRENT                              |               |               |
| Trade payables                       | 51,779        | 60,579        |
| Sundry payables and accrued expenses | 12,386        | 21,188        |
|                                      | <u>64,165</u> | <u>81,767</u> |

**10 Borrowings**

|                                 | 2014          | 2013          |
|---------------------------------|---------------|---------------|
|                                 | \$            | \$            |
| CURRENT                         |               |               |
| Unsecured liabilities:          |               |               |
| Hire purchase liabilities       | 2,629         | 8,486         |
| Other financial liabilities     | 17,872        | 2,205         |
|                                 | <u>20,501</u> | <u>10,691</u> |
| <b>Total current borrowings</b> | <u>20,501</u> | <u>10,691</u> |

|                                     | 2014          | 2013          |
|-------------------------------------|---------------|---------------|
|                                     | \$            | \$            |
| NON-CURRENT                         |               |               |
| Unsecured liabilities:              |               |               |
| Hire purchase liabilities           | 33,154        | 9,195         |
| Other financial liabilities         | -             | 1,083         |
|                                     | <u>33,154</u> | <u>10,278</u> |
| <b>Total non-current borrowings</b> | <u>33,154</u> | <u>10,278</u> |

Leased liabilities are secured by the underlying leased assets.

**(a) Defaults and breaches**

During the current and prior year, there were no defaults or breaches on any of the loans.

**11 Provisions**

|             | 2014          | 2013          |
|-------------|---------------|---------------|
|             | \$            | \$            |
| Current     | 45,198        | 40,063        |
| Non-current | 15,250        | 14,990        |
|             | <u>60,448</u> | <u>55,053</u> |



## **Notes to the Financial Statements**

**For the Year Ended 30 June, 2014**

### **12 Leasing Commitments**

#### **(a) Finance leases**

|                                   | <b>2014</b>   | <b>2013</b> |
|-----------------------------------|---------------|-------------|
|                                   | <b>\$</b>     | <b>\$</b>   |
| Minimum lease payments:           |               |             |
| - not later than one year         | <b>26,354</b> | 8,481       |
| - between one year and five years | <b>33,156</b> | 9,200       |
| Minimum lease payments            | <b>59,510</b> | 17,681      |

Gulgong Bowling and Sporting Club Limited have finance lease agreements for; two poker machines with Ainsworth, due to expire February 2017, equipment finance with Thorn, due to expire December 2017, poker machines with Vividian, due to expire February 2015 and an agreement for the juke box, expiring January 2015.

#### **(b) Operating leases**

Gulgong Bowling and Sporting Club Limited have not entered into any operating lease agreements during the year ending 30 June 2014.]

### **13 Contingencies**

In the opinion of the Directors, the Company did not have any contingencies at 30 June, 2014 (30 June 2013: None).

### **14 Events Occurring After the Reporting Date**

The financial report was authorised for issue on 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.

## Notes to the Financial Statements

For the Year Ended 30 June, 2014

### 15 Cash Flow Information

(a) Reconciliation of cash

|                                                                                                                                                         | 2014             | 2013      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------|
|                                                                                                                                                         | \$               | \$        |
| 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                                                                                                                               | <b>(231,696)</b> | (220,285) |
| Reconciliation of net income to net cash provided by operating activities:                                                                              |                  |           |
| Loss for the year                                                                                                                                       | <b>(31,840)</b>  | (38,481)  |
| Cash flows excluded from profit attributable to operating activities:                                                                                   |                  |           |
| - Prior year adjustment                                                                                                                                 | <b>121</b>       | 403       |
| Non-cash flows in profit:                                                                                                                               |                  |           |
| - Depreciation                                                                                                                                          | <b>68,265</b>    | 55,278    |
| Changes in assets and liabilities:                                                                                                                      |                  |           |
| -decrease/(increase) in trade and other receivables                                                                                                     | <b>22,097</b>    | (6,194)   |
| -decrease/(increase) in other assets                                                                                                                    | <b>(10)</b>      | (5,329)   |
| -decrease/(increase) in inventories                                                                                                                     | <b>10,886</b>    | 2,327     |
| -(decrease)/increase in trade and other payables                                                                                                        | <b>(17,603)</b>  | (28,229)  |
| -(decrease)/increase in provisions                                                                                                                      | <b>5,395</b>     | 9,592     |
| <b>Cashflow from operations</b>                                                                                                                         | <b>57,311</b>    | (10,633)  |

**Gulgong Bowling & Sporting Club Ltd**

ABN: 68 001 068 417

**Directors' Declaration**

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 21, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 30 June, 2014 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 10.9.14

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[www.crowehorwath.com.au](http://www.crowehorwath.com.au)**Gulgong Bowling & Sporting Club Ltd**

ABN: 68 001 068 417

**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, 2014, the statement of profit or loss and other 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.

*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.

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[www.crowehorwath.com.au](http://www.crowehorwath.com.au)**Gulgong Bowling & Sporting Club Ltd**

ABN: 68 001 068 417

**Independent Audit Report to the members of  
Gulgong Bowling & Sporting Club Ltd***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, 2014 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*.

*Crowe Horwath Central West*  
Crowe Horwath Central West

*Clare Wagner*  
Clare Wagner  
Audit Partner  
Registered Company Auditor No. 335972

Date: 12 September 2014

2 Commercial Avenue, Dubbo NSW 2830