

Gulgong Bowling & Sporting Club Limited
ABN: 68 001 068 417

Financial Statements Including Audit Report

For the year ended 30 June 2016

Gulgong Bowling & Sporting Club Limited

ABN: 68 001 068 417

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For the Year Ended 30 June 2016

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CHAIRMAN'S REPORT

It is my pleasure to submit this report with the Club performing well over this last financial year.

Our staff have again worked above and beyond to deliver to our members the very highest standard of service and I am sure you have all noticed their new uniforms which, I believe make them not only the best in the west for customer service but also for presentation. Thank you Bec, Darryl, Trish, Tracy and Craig for your outstanding efforts.

To our Manager Colleen, thank you for the long hours spent working towards the best interests of our Club.

Our current Board of Directors have been wonderful to work with and I do hope that they see fit to stand for office again. When the Board works well together the Club has a great atmosphere and problems are solved quickly and effectively. Thank you for your efforts over the last year and let us keep our Club progressive for the coming year.

We extend our thanks to Ken and Yvonne in the Bistro for their outstanding efforts in the Bistro over the past two years. We wish them well for their hiatus overseas. All of the staff working in the Bistro are to be congratulated for their efforts.

We welcome Johnny and Apple as the new proprietors of the Bistro and in my opinion Johnny is an even better cook than Ken (Ken did not agree). We wish them well and hope that our members will make themselves known and try their delicious new menu.

I would also like to thank Les Monks and the Directors and volunteers who give up their time every week for our gaming machine clearances and monthly audit.

Our "Mr go to man" Darryl has the greens looking a picture and his hard work and dedication is to be commended. Thank you for maintaining the high standard set by Bruce, you can be very proud of your achievement.

A special mention must go to all of our Sporting bodies who have produced marvellous results for their respective seasons. The North West Falcons men's team won their grand final played at Dubbo with the women's team narrowly defeated in their grand final. Congratulations on a great season. At the time of writing our Gulgong Terriers Senior League team are preparing to play Gilgandra in their Grand Final at Gilgandra. Gulgong Ladies Grade 3 Pennant players are now State Champions, a tremendous achievement, congratulations to all concerned. Our men's grade 6 pennant side played the State final in dismal conditions in Narrandra and despite giving their all fell just short of the line. They should all be proud of their achievement as runner up in the State. We also have representative teams competing in the State Playoffs in men's fours, men's pairs and mixed pairs. We wish all of the players concerned the best of luck and congratulate them on making the State Playoffs.

Thank you also to all of our loyal members for your patronage over the past year, may you all have a wonderful year ahead. God bless you all.

Our condolences go out to the friends and families of our departed members.

H. John Mobbs

Secretary Managers Report - 2016

It is my pleasure to present my fifth Managers report for the Gulgong bowling Club.

Although the auditors have not completed the annual report at the time of writing, they have advised that the club continues to hold its strong financial position and we will post a profit for the 2015/2016 financial year. This is particularly pleasing in the current economic climate and considering that the club has continued its support of so many sporting and charitable organisations over this past financial year.

We were again the major sponsors of the Gulgong Senior Rugby League and offer our congratulations to them on making it to this year's grand final. They were unfortunately unable to repeat last year's winning form however I am sure they will be working hard to turn the result around next season.

The Club also sponsored the North West Falcons Soccer Club and we offer them our congratulations on reaching the grand final in both the men's and women's competition.

Both the senior league and the soccer club have been running our Sunday night raffles as part of our sponsorship agreement and they are doing a great job. We ask that our members continue to support them in this fund raising endeavour.

Our bowlers have also had a fantastic year with the grade 6 men's pennant team bringing home a State Runner Up Flag and the women's grade 3 Pennant team winning their final to bring home the first ever State Flag for their Club. We will also have representation at the State playoffs this year for the men's fours and pairs and the mixed pairs. Congratulations to all of the players concerned and to both the Men's and Women's bowling clubs for a very successful year.

Thank you to all of the people who run our clubs within the club, including Squash, Darts, Pool, cricket, euchre and line dancing.

The club continues to support many charitable and community organisations both financially and by way of offering our facilities for their use. Our Annual Rabbit Races were once again well supported by both locals and visitors to our town and we offer our sincere gratitude to the staff, Directors and volunteers for their hard work in making this a very successful event.

Our caterers Ken & Yvonne have been very popular during their two year tenure but have opted to take a six month holiday to spend time with their family overseas. Before leaving they recommended Johnny and Apple who have taken over the Bistro and are delivering a very high standard of meals and service. We invite all members to come and try their extensive menu which includes Chinese, Thai and Australian cuisine.

A special thank you to the local tradesmen who are often called in with little notice to make repairs which enable us to continue to serve our members without interruption. They are too many to mention by name however this club could not run efficiently without their valued support and loyalty.

The members of the Board deserve recognition and thanks for their many and varied duties which are all performed free of charge and go largely unnoticed by the membership. I could not perform my duties without their continued support and I offer my personal thanks to you all.

Over the years our staffing numbers have reduced drastically partly due to the change in business volume, the leasing out of the kitchen and the introduction of new technology in the gaming room. These changes have played a major part in our ability to trade at a profit in recent years (by cutting expenses associated with staffing), however more pressure is put on the individual staff members who strive to continue to provide the highest level of service to you our members.

To Rebecca, Darryl, Trish, Tracy and Brian I offer my heartfelt thanks for your support, friendship and loyalty. Any success experienced by the Club comes on the backs of these wonderful workers.

To Mark Willis (my guardian angel) I cannot thank you enough for your patience and willingness to share your experience and knowledge to keep me from breaking my neck in the many potholes I have encountered while travelling this road in management. I apologise for all of the calls and interrupted social 'conversations' over the years though I cannot promise that they will cease in the near future.

My final vote of thanks goes to my husband Peter and my family for their patience and support over the last five years. Though I have enjoyed immensely the challenges of learning in the industry it is a very time consuming and demanding business which has at times left little energy or patience 'after hours'. I apologise for all of the missed dinners and the snappy responses and vow to do better in the future.

In closing I would like to commend all of our members for their continued support and loyalty, the Club obviously cannot function without you. I once again remind you that your opinions are valued and the venue to air them is at the AGM, please come along and have your say via the voting process.

On behalf of the Board and Staff of the Club I offer our condolences to the families and friends of our departed members.

I look forward to seeing you all "where mates meet".

Colleen Ryan

Gulgong Bowling & Sporting Club Limited

ABN: 68 001 068 417

Directors' Report

30 June 2016

The directors present their report on Gulgong Bowling & Sporting Club Limited for the financial year ended 30 June 2016.

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. Director since October 2012; 4 years on Board
Special responsibilities	Chairman
Committees	Finance, Staff, Greens and Building Committee

Graham Germon

Experience	Previous Director/Chairman; 6 years on Board.
Special responsibilities	Vice Chairman
Committees	Functions and Entertainment Committee

Alex Lithgow

Experience	Director; 3 years on Board
Special responsibilities	Vice Chairman
Committees	Finance & Building Committee

Julie Wood

Experience	Director; 3 years on Board
Special responsibilities	Treasurer
Committees	Finance Committee

Andrew Cuthell

Experience	Director; 2 years on Board. Resigned September 2015
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Steven Wood

Experience	Director; 3 years on Board
Committees	Finance and Building Committee

Russell Pitt

Experience	Director; 3 years on Board
Committees	Building and Entertainment Committee

Rodger Howard

Experience	Director; From September 2015 to September 2016
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Michael Thompson

Experience	Director; From November 2015 to September 2016
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Gulgong Bowling & Sporting Club Limited

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Directors' Report

30 June 2016

1. General information continued

Information on directors continued

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 Limited 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
- 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;

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Directors' Report

30 June 2016

1. General information continued

Strategy for achieving the objectives continued

- 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 surplus of \$72,660 for the 2016 financial year (2015: \$27,194). Industry has experienced a decline over the past year.
- Membership for the financial year was 1,054 (2015: 1,370).
- 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 Limited 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 \$1 per member towards the company's liabilities subject to the provisions of the company's constitution.

At 30 June 2016 the collective liability of members was \$ 1,054 (2015: \$ 1,370).

2. Other items

Significant changes in state of affairs

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

Matters or circumstances arising after the end of the year

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

Environmental matters

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

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Directors' Report

30 June 2016

Meetings of directors

During the financial year, 12 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	12	11
Graham Gernon	12	6
Alex Lithgow	12	8
Julie Wood	12	11
Andrew Cuthell	4	1
Steven Wood	12	11
Russell Pitt	12	11
Rodger Howard	10	8
Michael Thompson	8	7

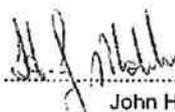
Indemnification and insurance of officers and auditors

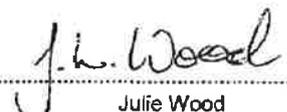
No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Gulgong Bowling & Sporting Club Limited.

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 2016 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: 
John Hilton Mobbs

Director: 
Julie Wood

Dated this4th..... day of ..October..... 2016

Gulgong Bowling & Sporting Club Limited

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

**Crowe Horwath
Central West**

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Member Crowe Horwath International
Audit and Assurance Services

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I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016, 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

Dated at the Dubbo office on the 4th day of October 2016

Gulgong Bowling & Sporting Club Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2016

		2016	2015
	Note	\$	\$
Revenue	4	1,087,585	1,094,660
Cost of goods sold		(230,339)	(258,541)
Employee benefits expense	5	(368,303)	(367,512)
Depreciation expense	5	(57,076)	(59,005)
Other operating expenses	5	(359,207)	(382,408)
Surplus for the year		72,660	27,194
Total comprehensive income for the year		72,660	27,194

The accompanying notes form part of these financial statements.

Gulgong Bowling & Sporting Club Limited

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Statement of Financial Position

As At 30 June 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	268,314	245,096
Trade and other receivables (cost)	7	2,228	3,789
Inventories	8	26,548	22,047
Other assets	10	9,902	9,942
TOTAL CURRENT ASSETS		<u>306,992</u>	<u>280,874</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,024,952	1,013,805
TOTAL NON-CURRENT ASSETS		<u>1,024,952</u>	<u>1,013,805</u>
TOTAL ASSETS		<u>1,331,944</u>	<u>1,294,679</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	41,167	45,917
Financial Liabilities	12	12,421	28,543
Short-term provisions	13	48,096	56,730
TOTAL CURRENT LIABILITIES		<u>101,684</u>	<u>131,190</u>
NON-CURRENT LIABILITIES			
Financial Liabilities	12	1,314	13,736
Long-term provisions	13	16,239	9,706
TOTAL NON-CURRENT LIABILITIES		<u>17,553</u>	<u>23,442</u>
TOTAL LIABILITIES		<u>119,237</u>	<u>154,632</u>
NET ASSETS		<u>1,212,707</u>	<u>1,140,047</u>
EQUITY			
Reserves		510,806	510,806
Retained earnings		701,901	629,241
TOTAL EQUITY		<u>1,212,707</u>	<u>1,140,047</u>

The accompanying notes form part of these financial statements.

Gulgong Bowling & Sporting Club Limited

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Statement of Changes in Equity For the Year Ended 30 June 2016

2016

	Retained Earnings	Asset Realisation Reserve	Total
	\$	\$	\$
Balance at 1 July 2015	629,241	510,806	1,140,047
Surplus for the year	72,660	-	72,660
Balance at 30 June 2016	701,901	510,806	1,212,707

2015

	Retained Earnings	Asset Realisation Reserve	Total
	\$	\$	\$
Balance at 1 July 2014	602,047	173,136	775,183
Surplus for the year	27,194	-	27,194
Revaluation increment	-	337,670	337,670
Balance at 30 June 2015	629,241	510,806	1,140,047

The accompanying notes form part of these financial statements.

Gulgong Bowling & Sporting Club Limited

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Statement of Cash Flows For the Year Ended 30 June 2016

	2016	2015
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,187,372	1,199,441
Payments to suppliers and employees	(1,070,793)	(1,129,650)
Interest received	4,623	1,483
Net cash provided by/(used in) operating activities	15 <u>121,202</u>	<u>71,274</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(69,441)</u>	(46,496)
Net cash used by investing activities	<u>(69,441)</u>	<u>(46,496)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in finance lease commitments	-	21,900
Repayment of finance lease commitments	<u>(28,543)</u>	(33,277)
Net cash used by financing activities	<u>(28,543)</u>	<u>(11,377)</u>
Net increase/(decrease) in cash and cash equivalents held	23,218	13,401
Cash and cash equivalents at beginning of year	<u>245,096</u>	231,695
Cash and cash equivalents at end of financial year	6 <u><u>268,314</u></u>	<u><u>245,096</u></u>

The accompanying notes form part of these financial statements.

Gulgong Bowling & Sporting Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2016

The financial report covers Gulgong Bowling & Sporting Club Limited as a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

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

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) 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 the period.

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

(c) Revenue and other income

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

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Gulgong Bowling & Sporting Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

(c) Revenue and other income continued

Interest revenue

Interest is recognised using the effective interest method.

(d) 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.

(e) 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 is 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.

(f) Property, plant and equipment

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

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 revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Gulgong Bowling & Sporting Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

(f) Property, plant and equipment continued

Plant and equipment continued

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

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed asset class	Depreciation rate
Buildings	2.5%
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.

(g) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(i) Employee benefits Provisions

Provision 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.

Employee Benefit Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period.

Gulgong Bowling & Sporting Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

(j) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards. The following summarises those future requirements and their impact on the Company where the standard is relevant:

(i) AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right of use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short term leases of 12 months or less and leases of low value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right of use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117.

3 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

Key estimates - employee benefits

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Gulgong Bowling & Sporting Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2016

4 Revenue and Other Income

Revenue from continuing operations

	2016	2015
	\$	\$
Sales revenue		
- Bar sales	466,691	479,204
- Bistro and catering sales	-	11,164
- Poker machines revenue	453,560	409,645
	<u>920,251</u>	<u>900,013</u>
Finance income		
- Interest income	4,623	1,483
	<u>4,623</u>	<u>1,483</u>
Other revenue		
- GST rebate	17,180	17,180
- Raffles	34,444	42,169
- Subscriptions	10,663	12,261
- Commissions received	32,532	36,241
- Kitchen lease	281	5,173
- Other revenue	62,362	74,379
- Competition revenue	5,249	5,761
	<u>162,711</u>	<u>193,164</u>
Total Revenue	<u>1,087,585</u>	<u>1,094,660</u>

5 Result for the Year

	2016	2015
	\$	\$
Depreciation expense	57,076	59,005
Employee benefits expense	368,303	367,512
	<u>425,379</u>	<u>426,517</u>

The result for the year includes the following specific expenses:

	2016	2015
	\$	\$
Other Expenses		
- Advertising & promotions	118,239	114,292
- Insurance	14,747	16,147
- Entertainment & membership	34,197	52,765
- Repairs and maintenance	21,493	17,166
- Utilities	39,298	58,151
- Other operating expenses	130,014	123,558
- Loss on disposal of asset	1,219	-
	<u>359,207</u>	<u>382,079</u>

Gulgong Bowling & Sporting Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2016

6 Cash and Cash Equivalents

	2016	2015
	\$	\$
Cash on hand	39,600	39,600
Bank balances	228,714	205,496
Cash at bank and in hand	<u>268,314</u>	<u>245,096</u>

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2016	2015
	\$	\$
Cash and cash equivalents	<u>268,314</u>	<u>245,096</u>
Balance as per statement of cash flows	<u>268,314</u>	<u>245,096</u>

7 Trade and Other Receivables

	2016	2015
	\$	\$
CURRENT		
Other receivables	<u>2,228</u>	<u>3,789</u>
Total current trade and other receivables	<u>2,228</u>	<u>3,789</u>

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.

8 Inventories

	2016	2015
	\$	\$
CURRENT		
At cost:		
Stock on hand	<u>26,548</u>	<u>22,047</u>
	<u>26,548</u>	<u>22,047</u>

Write downs of inventories to net realisable value during the year were \$ NIL (2015: \$ NIL).

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Notes to the Financial Statements For the Year Ended 30 June 2016

9 Property, plant and equipment

Leasehold land		
At independent valuation	250,000	250,000
Total Land	250,000	250,000
Buildings		
At independent valuation	647,536	635,000
Accumulated depreciation	(29,576)	(11,663)
Total buildings	617,960	623,337
Total land and buildings	867,960	873,337
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	898,463	844,456
Accumulated depreciation	(741,471)	(703,988)
Total plant and equipment	156,992	140,468
Total property, plant and equipment	1,024,952	1,013,805

(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
	\$	\$	\$	\$
Year ended 30 June 2015				
Balance at the beginning of year	250,000	623,337	140,468	1,013,805
Additions	-	12,536	56,905	69,441
Disposals - written down value	-	-	(1,218)	(1,218)
Depreciation expense	-	(17,913)	(39,163)	(57,076)
Balance at the end of the year	250,000	617,960	156,992	1,024,952

	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
Year ended 30 June 2015				
Balance at the beginning of year	229,000	318,330	141,314	688,644
Additions	-	-	46,496	46,496
Depreciation expense	-	(11,663)	(47,342)	(59,005)
Revaluation increase recognised in equity	21,000	316,670	-	337,670
Balance at the year ended 30 June 2015	250,000	623,337	140,468	1,013,805

Gulgong Bowling & Sporting Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2016

10 Other Assets

	2016	2015
	\$	\$
CURRENT		
Prepayments	4,902	4,942
Tabcorp Deposit	5,000	5,000
	<u>9,902</u>	<u>9,942</u>

11 Trade and other payables

	2016	2015
	\$	\$
CURRENT		
Trade payables	32,805	38,380
Sundry payables and accrued expenses	8,362	7,537
	<u>41,167</u>	<u>45,917</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

12 Borrowings

	2016	2015
	\$	\$
CURRENT		
Hire Purchase Liability	2,629	2,629
Other financial liabilities	9,792	25,914
	<u>12,421</u>	<u>28,543</u>
NON-CURRENT		
Hire Purchase Liability	1,314	13,736
Total borrowings	<u>13,735</u>	<u>42,279</u>

13 Employee Benefit Provisions

	2016	2015
	\$	\$
Current provisions	48,096	56,730
Long-term provisions	16,239	9,706
Total Employee benefit provisions	<u>64,335</u>	<u>66,436</u>

14 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2016 (30 June 2015:None).

Gulgong Bowling & Sporting Club Limited

ABN: 68 001 068 417

Notes to the Financial Statements For the Year Ended 30 June 2016

15 Cash Flow Information

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

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

	2016	2015
	\$	\$
Surplus for the year	72,660	27,194
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	57,076	59,005
- net gain on disposal of property, plant and equipment	1,219	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	1,561	(3,443)
- (increase)/decrease in inventories	(4,502)	1,180
- (increase)/decrease in other assets	40	(403)
- increase/(decrease) in trade and other payables	(3,192)	(18,246)
- increase/(decrease) in accruals	(1,559)	-
- increase/(decrease) in provisions	(2,101)	5,987
Cashflow from operations	<u>121,202</u>	<u>71,274</u>

16 Events after the end of the Reporting Period

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

17 Company Details

The registered office of the company is:

Gulgong Bowling & Sporting Club Limited
Tallawang Road
GULGONG NSW 2852

Gulgong Bowling & Sporting Club Limited

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 6 to 18, 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 2016 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 
John Hilton Mobbs

Director 
Julie Wood

Dated this 4th day of October, 2016

Gulgong Bowling & Sporting Club Limited

ABN: 68 001 068 417

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

Crowe Horwath Central West

ABN 73 139 862 923
Member Crowe Horwath International
Audit and Assurance Services

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www.crowehorwath.com.au

Report on the Financial Report

We have audited the accompanying financial report of Gulgong Bowling & Sporting Club Limited, which comprises the statement of financial position as at 30 June 2016, 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.

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 Limited, 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 Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2016 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

Dated at the Dubbo office on the 4th day of October 2016