

**The Entrance Bowling Club Limited**  
**ABN 29 000 956 052**

**Financial Report**  
**For The Year Ended**  
**30 June 2016**

**The Entrance Bowling Club Limited**  
**ABN 29 000 956 052**

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**Financial Report**  
**For The Year Ended 30 June 2016**

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**General Information**

The financial report covers The Entrance Bowling Club Limited as an individual entity. The financial report is presented in Australian dollars, which is The Entrance Bowling Club Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

The Entrance Bowling Club Limited is a not-for-profit unlisted public company limited by guarantee.

**The Entrance Bowling Club Limited**  
**ABN 29 000 956 052**

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**Directors' Report**

Your directors present this report on the entity for the financial year ended 30 June 2016.

**Directors**

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

| <b>Name</b>        | <b>Qualifications and period of directorship</b>                        |
|--------------------|---|
| Michael Terelinck  | Chairman, Retired. Appointed in 2010                                    |
| Clarrie Fitzgerald | Director, Retired. Appointed in 2008                                    |
| John Ellison       | Treasurer, Retired Accountant. Appointed in October 2011                |
| Sue Gemmell        | Director, Company Director. Appointed in October 2013                   |
| Peter Whitfield    | Director, Retired, Appointed in October 2011                            |
| John Todd          | Director, Retired, Appointed in October 2013. Passed away December 2015 |
| Terry Delroy       | Director, Bus Driver, Appointed in October 2014                         |

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

**Directors' Meetings**

The number of directors' meetings including special meetings of directors and the number of meetings attended by each of the directors of the company during the financial year are:

| <b>Director</b>    | <b>Board Meetings</b>              |                                |
|--------------------|------------------------------------|--------------------------------|
|                    | <b>Number of Meetings Attended</b> | <b>Number of Meetings Held</b> |
| Michael Terelinck  | 12                                 | 12                             |
| Clarrie Fitzgerald | 8                                  | 12                             |
| Sue Gemmell        | 11                                 | 12                             |
| John Ellison       | 12                                 | 12                             |
| Peter Whitfield    | 9                                  | 12                             |
| John Todd          | 3                                  | 3                              |
| Terry Delroy       | 10                                 | 12                             |

**Membership**

The entity is a company limited by guarantee and is without share capital. The number of members as at the date of this report is 5,088 (2015: 5,193)

# **The Entrance Bowling Club Limited**

## **ABN 29 000 956 052**

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### **Directors' Report**

#### **Principal Activities**

The principal activities of the company during the year were to provide sporting, social and entertainment activities and amenities to the members of the Company and guests from conducting the business of a licensed bowling club.

There have been no significant changes in the nature of these activities during the year.

#### **Operating Result**

The net profit for the year amounted to \$24,216 compared with a loss of \$122,928 for the prior year.

#### **Short-term and Long-term Objectives**

The entity's short term objectives are to:

- Maintain the current level of services provided to members and their guests while reducing the company's loans.
- Continue to promote and develop bowling and social activities to ensure that the Club meets the needs of its members and the local community.

The entity's long term objectives are to:

- Conduct business activities in a sound and responsible manner ensuring relevance to the membership and community.
- Providing the facilities and amenities that improve the financial and future viability of the company.

#### **Strategies**

The main strategy to achieve the Club's objectives is through sound financial management and the use of financial ratios and key performance indicators (KPIs) to ensure that business plans, budgets and cash flows are current and relevant. Business activities are managed to ensure that the goals, objectives and business strategies are achieved.

The club continually reviews its operations and assesses latest trends and opportunities to determine if they can be of benefit to the club and its members.

#### **Key Performance Measures**

The trading reports are reviewed monthly by the executive and the board of directors. Variances are reviewed and changes to operations are made if the variances indicate that changes are required.

**The Entrance Bowling Club Limited**  
**ABN 29 000 956 052**

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**Directors' Report**

**Liability of members on winding up**

The Company is incorporated and domiciled in Australia as a company limited by guarantee. In accordance with the Constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$5 per member in the event of the winding up of the Company during the time that he/she is a member or within one year thereafter. As at the date of this report there were 5,088 members.

**Proceedings on behalf of the company**

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is party for the purposes of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 6 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.



**M Terelinck**  
**Director**



**J Ellison**  
**Director**

Dated: 26 August, 2016

**The Entrance Bowling Club Limited**  
**ABN 29 000 956 052**

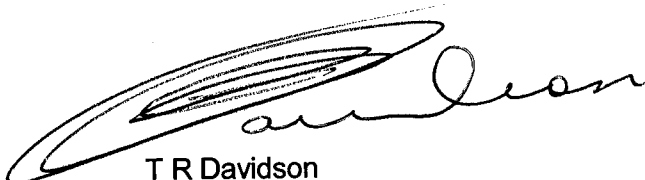
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**Auditor's Independence Declaration  
To the Directors  
of The Entrance Bowling Club Limited**

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.

**FORTUNITY ASSURANCE**



T R Davidson  
**Partner**

155 The Entrance Road  
Erina NSW 2250

Dated: 26 August, 2016

**The Entrance Bowling Club Limited**  
**ABN 29 000 956 052**

**Statement of Comprehensive Income**  
**For The Year Ended 30 June 2016**

|  | Note | 2016<br>\$    | 2015<br>\$       |
|--|------|---------------|------------------|
| Revenue  | 2    | 4,979,192     | 4,796,360        |
| Other income                                   | 2    | 30,910        | 61,144           |
| Cost of sales                                  | 3    | (766,471)     | (796,435)        |
| Depreciation and amortisation                  | 3    | (449,449)     | (493,318)        |
| Finance costs                                  | 3    | (76,281)      | (55,201)         |
| Employee benefits expense                      |      | (1,727,802)   | (1,669,616)      |
| Poker machine tax, licences and donations      |      | (385,697)     | (376,614)        |
| Entertainment and promotions                   |      | (414,269)     | (364,750)        |
| Property costs                                 |      | (405,125)     | (443,583)        |
| Rental expense                                 |      | (35,159)      | (35,349)         |
| Audit, legal and consultancy expense           |      | (60,882)      | (27,750)         |
| Other expenses                                 |      | (664,751)     | (717,816)        |
| (Loss)/Profit before income tax expense        |      | 24,216        | (122,928)        |
| Income tax expense                             |      | -             | -                |
| <b>Net (loss)/profit after income tax</b>      |      | <b>24,216</b> | <b>(122,928)</b> |
| <b>Other Comprehensive Income</b>              |      | -             | -                |
| <b>Total comprehensive income for the year</b> |      | <b>24,216</b> | <b>(122,928)</b> |

The accompanying notes form part of these financial statements.

**The Entrance Bowling Club Limited**  
**ABN 29 000 956 052**

**Statement of Financial Position**  
**As At 30 June 2016**

|                                      | Note | 2016<br>\$ | 2015<br>\$ |
|--------------------------------------|------|------------|------------|
| <b>Assets</b>                        |      |            |            |
| <b>Current Assets</b>                |      |            |            |
| Cash and cash equivalents            | 4    | 148,997    | 139,027    |
| Trade and other receivables          | 5    | 4,715      | 4,822      |
| Inventories                          | 6    | 32,497     | 34,420     |
| Other assets                         | 7    | 63,087     | 72,514     |
| <b>Total Current Assets</b>          |      | 249,296    | 250,783    |
| <b>Non-Current Assets</b>            |      |            |            |
| Property, plant and equipment        | 8    | 4,144,113  | 4,167,820  |
| Investment property                  | 9    | 6,010,000  | 1,152,466  |
| <b>Total Non-current Assets</b>      |      | 10,154,113 | 5,320,286  |
| <b>Total Assets</b>                  |      | 10,403,409 | 5,571,069  |
| <b>Current Liabilities</b>           |      |            |            |
| Trade and other payables             | 10   | 209,636    | 151,444    |
| Financial liabilities                | 12   | 442,115    | 480,308    |
| Provisions                           | 13   | 269,420    | 241,448    |
| Other liabilities                    | 11   | 16,324     | 17,566     |
| <b>Total Current Liabilities</b>     |      | 937,495    | 890,766    |
| <b>Non-current Liabilities</b>       |      |            |            |
| Financial liabilities                | 12   | 1,219,668  | 1,293,146  |
| Provisions                           | 13   | 12,744     | 10,851     |
| <b>Total Non-Current Liabilities</b> |      | 1,232,412  | 1,303,997  |
| <b>Total Liabilities</b>             |      | 2,169,907  | 2,194,763  |
| <b>Net Assets</b>                    |      | 8,233,502  | 3,376,306  |
| <b>Members' Funds</b>                |      |            |            |
| Reserves                             |      | 5,186,307  | 353,327    |
| Retained earnings                    |      | 3,047,195  | 3,022,979  |
|                                      |      | 8,233,502  | 3,376,306  |

The accompanying notes form part of these financial statements.



**The Entrance Bowling Club Limited**  
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**Statement of Changes in Members Funds**  
**For The Year Ended 30 June 2016**

|                                    | <b>Retained<br/>Profits</b> | <b>Capital<br/>Profits<br/>Reserve</b> | <b>Total</b> |
|------------------------------------|-----------------------------|--|--------------|
|                                    | <b>\$</b>                   | <b>\$</b>                              | <b>\$</b>    |
| Balance 1 July 2014                | 3,145,907                   | 353,327                                | 3,879,030    |
| Loss for the year                  | (122,928)                   | -                                      | (122,928)    |
|                                    | <hr/>                       | <hr/>                                  | <hr/>        |
| Balance 30 June 2015               | 3,022,979                   | 353,327                                | 3,376,306    |
| Profit for year                    | 24,216                      | -                                      | 24,216       |
| Revaluation of investment property | -                           | 4,832,980                              | 4,832,980    |
|                                    | <hr/>                       | <hr/>                                  | <hr/>        |
| Balance 30 June 2016               | 3,047,195                   | 5,186,307                              | 8,233,502    |
|                                    | <hr/>                       | <hr/>                                  | <hr/>        |

The accompanying notes form part of the financial statements.

**The Entrance Bowling Club Limited**  
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**Statement of Cash Flows**  
**For The Year Ended 30 June 2016**

|  | Note | 2016<br>\$<br>Inflows<br>(Outflows) | 2015<br>\$<br>Inflows<br>(Outflows) |
|--|------|-------------------------------------|-------------------------------------|
| <b>Cash flows from operating activities</b>        |      |                                     |                                     |
| Receipts from customers                            |      | 4,841,215                           | 4,669,661                           |
| Payments to suppliers and employees                |      | (4,436,879)                         | (4,471,955)                         |
| Rent received                                      |      | 138,084                             | 125,161                             |
|  |      | <hr/>                               | <hr/>                               |
| Net cash provided by operating activities          | 14   | 542,420                             | 322,867                             |
|  |      | <hr/>                               | <hr/>                               |
| <b>Cash flows from investing activities</b>        |      |                                     |                                     |
| Payments for property, plant & equipment           |      | (433,941)                           | (499,153)                           |
| Proceeds from sale of assets                       |      | 33,046                              | 71,408                              |
|  |      | <hr/>                               | <hr/>                               |
| Net cash used in investing activities              |      | (400,895)                           | (427,745)                           |
|  |      | <hr/>                               | <hr/>                               |
| <b>Cash flows from financing activities</b>        |      |                                     |                                     |
| Repayments of borrowings                           |      | (322,044)                           | (335,121)                           |
| Proceeds from borrowings                           |      | 312,102                             | 340,299                             |
|  |      | <hr/>                               | <hr/>                               |
| Net cash used in financing activities              |      | (9,942)                             | 5,178                               |
|  |      | <hr/>                               | <hr/>                               |
| <b>Net (decrease)/increase in cash held</b>        |      | 131,583                             | (99,700)                            |
| <b>Cash at the beginning of the financial year</b> |      | (29,251)                            | 70,449                              |
|  |      | <hr/>                               | <hr/>                               |
| <b>Cash at the end of the financial year</b>       |      | 102,332                             | (29,251)                            |
|  |      | <hr/>                               | <hr/>                               |

The accompanying notes form part of these financial statements.

**The Entrance Bowling Club Limited**  
**ABN 29 000 956 052**

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

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

**Note 1. Summary of Significant Accounting Policies**

**New, Revised or Amending Accounting Standards and Interpretations Adopted**

The company has adopted all of the new, revised or amending Accounting Standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current period.

Any new, revised or amending Accounting Standards or interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and interpretations did not have any significant impact on the financial performance or position of the company.

**Basis of Preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001, as appropriate for not-for-profit orientated entities.

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

**Accounting Policies**

**(a) Income Tax**

The company is exempt from income tax, as it is an organisation that solely encourages and promotes the game of lawn bowls in accordance with Section 50-45 of the Income Tax Assessment Act (1997). The Directors believe that for the current financial year the company has preserved its exempt status.

**The Entrance Bowling Club Limited**  
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**Notes to the Financial Statements**  
**For The Year Ended 30 June 2016**

**Note 1. Summary of Significant Accounting Policies (cont'd)**

**(b) Inventories**

Inventories are measured at the lower of cost and net realisable value. Inventories held for distribution are measured at cost adjusted, where applicable, for any loss of service potential.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

**(c) Property, Plant and Equipment**

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

**Property**

Freehold land is measured on the cost basis. Buildings are measured on the cost basis less depreciation and impairment losses.

**Plant and Equipment**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour and borrowing costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

**The Entrance Bowling Club Limited**  
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**Notes to the Financial Statements**  
**For The Year Ended 30 June 2016**

**Note 1. Summary of Significant Accounting Policies (cont'd)**

**Depreciation**

The depreciable amount of all fixed assets, including building and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

| <i>Class of Fixed Asset</i> | <i>Depreciation Rate</i> |
|-----------------------------|--------------------------|
| Buildings                   | 2.5%                     |
| Poker Machines              | 5-50%                    |
| Plant & equipment           | 5-50%                    |
| Leased plant                | 5-50%                    |
| Motor vehicles              | 5-50%                    |

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**(d) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over 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.

**The Entrance Bowling Club Limited**  
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**Notes to the Financial Statements**  
**For The Year Ended 30 June 2016**

**Note 1. Summary of Significant Accounting Policies (cont'd)**

**(e) Financial Instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction 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 fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

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 amount with a consequential recognition of an income or expense item in profit or loss.

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

**(i) 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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

**The Entrance Bowling Club Limited**  
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**Notes to the Financial Statements**  
**For The Year Ended 30 June 2016**

**Note 1. Summary of Significant Accounting Policies (cont'd)**

*(ii) 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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

*(iii) Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

**Impairment**

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors (or a group of debtors) are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account, or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

**The Entrance Bowling Club Limited**  
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**Notes to the Financial Statements**  
**For The Year Ended 30 June 2016**

**Note 1. Summary of Significant Accounting Policies (cont'd)**

**(f) Impairment of Assets**

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount, being the higher of the assets fair value less costs to sell and value in use, to the assets carrying amount. Any excess of the assets carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

**(g) Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

**(h) 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. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.



**The Entrance Bowling Club Limited**  
**ABN 29 000 956 052**

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

**Note 1. Summary of Significant Accounting Policies (cont'd)**

**(i) Revenue**

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the sale of goods, services and gaming is recognised upon the sale to customers and members.

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

**(j) Members Subscriptions**

Members subscriptions received in advance are amounts received from members in respect of subscriptions for 2016 and subsequent years, and are shown in the balance sheet under trade and other payables.

**(k) Limitation of Members' Liability**

In accordance with the Club's Constitution the liability of members in the event of the Club being wound up would not exceed \$5 per member.

**The Entrance Bowling Club Limited**  
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**Notes to the Financial Statements**  
**For The Year Ended 30 June 2016**

**Note 1. Summary of Significant Accounting Policies (cont'd)**

**(l) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**(m) Comparative Figures**

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

**(n) Critical Accounting Judgements, Estimates and Assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and the estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the actual related results.

**The Entrance Bowling Club Limited**  
**ABN 29 000 956 052**

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

|                                       | <b>2016</b>      | <b>2015</b>      |
|---------------------------------------|------------------|------------------|
|                                       | <b>\$</b>        | <b>\$</b>        |
| <b>Note 2. Revenue</b>                |                  |                  |
| <b>Sale of Goods</b>                  |                  |                  |
| Bar sales                             | 1,589,059        | 1,619,250        |
| Catering sales                        | 243,522          | 225,381          |
|                                       | 1,832,581        | 1,844,631        |
| <b>Rendering of Services</b>          |                  |                  |
| Net clearances                        | 2,449,088        | 2,340,078        |
| Member bowls                          | 85,838           | 88,453           |
| Ladies bowls                          | 36,296           | 34,769           |
| Market nights, functions              | 169,423          | 171,310          |
|                                       | 2,740,645        | 2,634,610        |
| <b>Other Revenue</b>                  |                  |                  |
| TAB & Keno commissions                | 97,803           | 79,701           |
| Commissions received                  | 4,851            | 5,722            |
| Members subscriptions                 | 24,000           | 30,546           |
| Rents                                 | 138,084          | 125,161          |
| Telephone receipts                    | 267              | 352              |
| Rebates                               | 35,978           | 35,426           |
| Sundry income                         | 104,983          | 40,211           |
|                                       | 405,966          | 317,119          |
| <b>Total Revenue</b>                  | <b>4,979,192</b> | <b>4,796,360</b> |
| <b>Other Income</b>                   |                  |                  |
| Gain on disposal of assets            | 30,910           | 61,144           |
| <b>Total Revenue and Other Income</b> | <b>5,010,102</b> | <b>4,871,930</b> |
| <b>Note 3. Expenses</b>               |                  |                  |
| Cost of sales                         | 766,471          | 796,435          |
| Finance costs                         | 76,281           | 55,201           |
| Depreciation                          | 399,528          | 493,318          |
| Loss on sale of non-current assets    | 1,393            | -                |
|                                       | 1,243,673        | 1,348,262        |

**The Entrance Bowling Club Limited**  
**ABN 29 000 956 052**

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

|  | 2016<br>\$     | 2015<br>\$     |
|--|----------------|----------------|
| <b>Note 4. Cash and Cash Equivalents</b>       |                |                |
| Cash on hand                                   | 98,650         | 88,180         |
| Cash at bank                                   | 50,347         | 50,847         |
|  | <u>148,997</u> | <u>139,027</u> |
| <br><b>Note 5. Trade and Other Receivables</b> |                |                |
| Other receivables                              | <u>4,715</u>   | <u>4,822</u>   |
| <br><b>Note 6. Inventories</b>                 |                |                |
| Stock on hand                                  | <u>32,497</u>  | <u>34,420</u>  |
| <br><b>Note 7. Other Current Assets</b>        |                |                |
| Prepayments                                    | <u>63,087</u>  | <u>72,514</u>  |

**The Entrance Bowling Club Limited**  
**ABN 29 000 956 052**

**Notes to the Financial Statements**  
**For The Year Ended 31 December 2016**

|  | 2016<br>\$  | 2015<br>\$  |
|--|-------------|-------------|
| <b>Note 8. Property, Plant and Equipment</b> |             |             |
| Leasehold improvements – at cost(Note 19)    | 5,186,573   | 5,161,279   |
| Less accumulated depreciation                | (2,469,652) | (2,331,352) |
|  | 2,716,921   | 2,829,927   |
| <br>   |             |             |
| Plant and equipment – at cost                | 3,134,018   | 3,561,874   |
| Less accumulated depreciation                | (1,783,278) | (2,326,720) |
|  | 1,350,740   | 1,235,154   |
| <br>   |             |             |
| Furniture and fittings – at cost             | 587,114     | 591,273     |
| Less accumulated depreciation                | (510,662)   | (488,534)   |
|  | 76,452      | 102,739     |
| <br>   |             |             |
| Total Property, Plant and Equipment          | 4,144,113   | 4,167,820   |

**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:

|  | Leasehold<br>Improvements<br>\$ | Plant &<br>Equipment<br>\$ | Furniture &<br>Fittings<br>\$ | Total<br>\$ |
|--|---------------------------------|----------------------------|-------------------------------|-------------|
| Balance at the beginning of the year   | 2,829,927                       | 1,235,154                  | 102,739                       | 4,167,820   |
| Additions                              | 25,294                          | 372,154                    | 3,220                         | 400,668     |
| Disposals                              | -                               | (21,061)                   | -                             | (21,061)    |
| Depreciation for the year              | (138,300)                       | (235,507)                  | (29,507)                      | (403,314)   |
| <br>                                   |                                 |                            |                               |             |
| Carrying amount at the end of the year | 2,716,921                       | 1,350,740                  | 76,452                        | 4,144,113   |

**The Entrance Bowling Club Limited**  
**ABN 29 000 956 052**

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

|   | 2016<br>\$ | 2015<br>\$ |
|---|------------|------------|
| <b>Note 9. Investment Property</b>            |            |            |
| Investment properties - at valuation(Note 19) | 6,010,000  | -          |
| Investment properties – at cost               | -          | 1,255,191  |
| Less: accumulated depreciation                | -          | (102,725)  |
|   | 6,010,000  | 1,152,466  |

A valuation of the company's investment property was carried out by Sean McGill AAPI, B.Bus, AVI (Certified Practising Valuer) – MJD Valuers, as at 22 April, 2016.

**Movements in Carrying Amounts**

Movements in the carrying amount for investment property between the beginning and the end of the current financial year:

|  | Investment<br>Property<br>\$ | Total<br>\$ |
|--|------------------------------|-------------|
| Balance at the beginning of the year   | 1,152,466                    | 1,152,466   |
| Additions                              | 70,689                       | 70,689      |
| Disposals                              | -                            | -           |
| Depreciation for the year              | (46,135)                     | (46,135)    |
| Revaluation                            | 4,832,980                    | 4,832,980   |
| Carrying amount at the end of the year | 6,010,000                    | 6,010,000   |

**Note 10. Trade and Other Payables**

|                              |         |         |
|------------------------------|---------|---------|
| Trade creditors and accruals | 209,636 | 151,444 |
|                              | 209,636 | 151,444 |

**Note 11. Other Current Liabilities**

|                   |        |        |
|-------------------|--------|--------|
| Income in advance | 16,324 | 17,566 |
|                   | 16,324 | 17,566 |

**The Entrance Bowling Club Limited**  
**ABN 29 000 956 052**

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

|                                       | 2016<br>\$       | 2015<br>\$       |
|---------------------------------------|------------------|------------------|
| <b>Note 12. Financial Liabilities</b> |                  |                  |
| Current                               |                  |                  |
| Business loan - secured               | 91,290           | 84,000           |
| Hire purchase liabilities - secured   | 304,160          | 228,030          |
| Bank overdraft – secured              | 46,665           | 168,278          |
|                                       | <u>442,115</u>   | <u>480,308</u>   |
| Non-Current                           |                  |                  |
| Business loan - secured               | 1,014,619        | 1,044,468        |
| Hire purchase liabilities - secured   | 205,049          | 248,678          |
|                                       | <u>1,219,668</u> | <u>1,293,146</u> |

**Secured Liabilities**

Secured by Registered First Mortgage over the Company's freehold land and an Equitable Mortgage over the assets of the Company.

**Note 13. Employee Benefits**

|                               |                |                |
|-------------------------------|----------------|----------------|
| Current employee benefits     | 269,420        | 241,448        |
| Non-current employee benefits | 12,744         | 10,851         |
|                               | <u>282,164</u> | <u>252,299</u> |

**The Entrance Bowling Club Limited**  
**ABN 29 000 956 052**

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

|   | <b>2016</b> | <b>2015</b> |
|---|-------------|-------------|
|   | <b>\$</b>   | <b>\$</b>   |
| <b>Note 14. Cash Flow Information</b>   |             |             |
| (a) Reconciliation of cash  |             |             |
| Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows: |             |             |
| Cash on hand  | 98,650      | 88,180      |
| Cash at bank  | 50,347      | 50,847      |
| Bank overdraft  | (46,665)    | (168,278)   |
|   | 102,332     | (29,251)    |
| <br>  |             |             |
| (a) Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax                                 |             |             |
| Profit/(Loss) from ordinary activities after income tax   | 24,216      | (122,928)   |
| Non-cash flows in profit from ordinary activities   |             |             |
| Depreciation  | 449,449     | 493,318     |
| Net gain on disposal of assets  | (29,517)    | (61,144)    |
| Changes in assets and liabilities   |             |             |
| (Increase)/decrease in other debtors  | 107         | (1,538)     |
| (Increase)/decrease in inventories  | 1,923       | (1,290)     |
| (Increase)/decrease in other assets   | 9,427       | (19,773)    |
| Increase/(decrease) in payables   | 58,192      | (6,806)     |
| Increase/(decrease) in provisions   | 29,865      | 50,857      |
| Increase/(decrease) in other liabilities  | (1,242)     | (7,829)     |
| Cash flow from operations   | 542,420     | 322,867     |

**Note 15. Related Party Disclosures**

The directors also purchased goods from the company on the same terms and conditions available to members, guests and employees.



**The Entrance Bowling Club Limited**  
**ABN 29 000 956 052**

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

**2016**                      **2015**  
**\$**                                      **\$**

**Note 16. Financial Reporting By Segments**

The Club operates predominantly in one industry. The principal activity of the Club is that of a Licensed Club registered under the Registered Club Act, 1976. The Club operates predominantly in one geographical area, being The Entrance, NSW.

**Note 17. Financial Instruments**

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable and borrowings.

The totals for each category of financial instruments, measured in accordance with AASB 139, as detailed in the accounting policies to these financial statements, are as follows:

|                           |                  |                  |
|---------------------------|------------------|------------------|
| Financial assets          |                  |                  |
| Cash and cash equivalents | 148,997          | 139,027          |
| Receivables               | 4,715            | 4,822            |
|                           | <u>153,712</u>   | <u>143,849</u>   |
| Financial liabilities     |                  |                  |
| Trade payables            | 209,636          | 151,444          |
| Borrowings                | 1,661,783        | 1,773,454        |
|                           | <u>1,871,419</u> | <u>1,924,898</u> |

The company does not have any derivative instruments at 30 June 2016.

**Note 18. Registered Office**

The registered office address of the company is:

Warrigal Street  
The Entrance NSW 2261

**The Entrance Bowling Club Limited**  
**ABN 29 000 956 052**

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

**Note 19. Core and Non Core Land**

With reference to section 41J of the Registered Clubs Act as amended by the Registered Clubs Amendment Act 2006, the properties owned or occupied by The Entrance Bowling Club Limited, as at 30 June 2016, are as follows:

Core properties

Warrigal Street, The Entrance (Club premises)

The above property is leased by the Club

19 Park Road, The Entrance  
21 Park Road, The Entrance  
23 Park Road, The Entrance  
25 Park Road, The Entrance  
18A Taylor Street, The Entrance  
18 Taylor Street, The Entrance  
16A Taylor Street, The Entrance  
16 Taylor Street, The Entrance  
20 Taylor Street, The Entrance  
22 Taylor Street, The Entrance  
24 Taylor Street, The Entrance  
30 Taylor Street, The Entrance  
8A Warrigal Street, The Entrance

The above properties are owned by the Club

The Club has no properties which are defined as non-core properties.

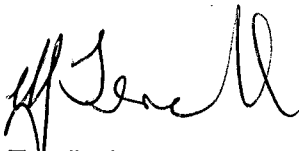
**The Entrance Bowling Club Limited**  
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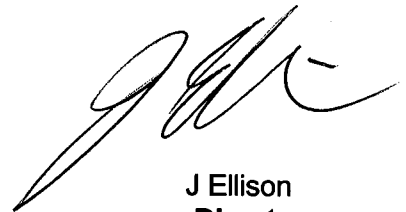
**Directors' Declaration**  
**For The Year Ended 30 June 2016**

In accordance with a resolution of the directors of The Entrance Bowling Club Limited, the directors of the entity declare that:

1. The attached financial statements and notes, as set out on pages 7 to 26, are in accordance with the *Corporations Act 2001* and:
  - Comply with Australian Accounting Standards; and
  - 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 entity.
2. In the director's opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.



M Terelinck  
**Director**



J Ellison  
**Director**

Dated: <sup>26</sup> August, 2016

**The Entrance Bowling Club Limited**  
**ABN 29 000 956 052**

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**Independent Auditor's Report To The Members  
Of The Entrance Bowling Club Limited**

**Report on the Financial Report**

We have audited the accompanying financial report of The Entrance Bowling Club Limited (the company), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in members funds 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**

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 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 The Entrance Bowling Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

**The Entrance Bowling Club Limited**  
**ABN 29 000 956 052**

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**Independent Audit Report To The Members  
Of The Entrance Bowling Club Limited**

**Audit Opinion**

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

- (i) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*;

**FORTUNITY ASSURANCE**



T R Davidson  
Partner

155 The Entrance Road  
ERINA NSW 2250

Dated: 26 August, 2016