

The Entrance Bowling Club Limited
ABN 29 000 956 052

Financial Report
For The Year Ended
30 June 2015

The Entrance Bowling Club Limited
ABN 29 000 956 052

Financial Report
For The Year Ended 30 June 2015

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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
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Directors' Report

Your directors present this report on the entity for the financial year ended 30 June 2015.

Directors

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

Name	Qualifications and period of directorship
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
Robert Millington	Director, Retired, Appointed in October 2013. Ceased to act October 2014
John Todd	Director, Retired, Appointed in October 2013
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:

Director	Board Meetings		Special Meetings	
	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held
Michael Terelinck	12	12	1	1
Clarrie Fitzgerald	12	12	1	1
Sue Gemmell	12	12	1	1
John Ellison	10	12	1	1
Peter Whitfield	12	12	1	1
Robert Millington	4	4	-	-
John Todd	10	12	1	1
Terry Delroy	5	8	1	1

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 5,193 (2014: 2,967)

The Entrance Bowling Club Limited

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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 loss for the year amounted to \$122,928 compared with a loss of \$379,796 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
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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 5,193 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 2015 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: 28 August, 2015

The Entrance Bowling Club Limited
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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 2015 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: 28 August, 2015

The Entrance Bowling Club Limited
ABN 29 000 956 052

Statement of Comprehensive Income
For The Year Ended 30 June 2015

	Note	2015 \$	2014 \$
Revenue	2	4,796,360	3,897,580
Other income	2	61,144	71,524
Cost of sales	3	(796,435)	(626,539)
Depreciation and amortisation	3	(493,318)	(461,720)
Finance costs	3	(55,201)	(62,267)
Employee benefits expense		(1,669,616)	(1,367,756)
Poker machine tax, licences and donations		(376,614)	(286,928)
Entertainment and promotions		(364,750)	(307,950)
Property costs		(443,583)	(441,037)
Rental expense		(35,349)	(30,441)
Audit, legal and consultancy expense		(27,750)	(25,727)
Other expenses		(717,816)	(738,535)
(Loss)/Profit before income tax expense		(122,928)	(379,796)
Income tax expense		-	-
Net (loss)/profit after income tax		(122,928)	(379,796)
Other Comprehensive Income		-	-
Total comprehensive income for the year		(122,928)	(379,796)

The accompanying notes form part of these financial statements.

The Entrance Bowling Club Limited
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Statement of Financial Position
As At 30 June 2015

	Note	2015 \$	2014 \$
Assets			
Current Assets			
Cash and cash equivalents	4	139,027	170,336
Trade and other receivables	5	4,822	3,284
Inventories	6	34,420	33,130
Other assets	7	72,514	52,741
Total Current Assets		250,783	259,491
Non-Current Assets			
Property, plant and equipment	8	4,167,820	4,207,381
Investment property	9	1,152,466	1,117,334
Total Non-current Assets		5,320,286	5,324,715
Total Assets		5,571,069	5,584,206
Current Liabilities			
Trade and other payables	10	151,444	158,250
Financial liabilities	12	480,308	505,859
Provisions	13	241,448	198,605
Other liabilities	11	17,566	25,395
Total Current Liabilities		890,766	888,109
Non-current Liabilities			
Financial liabilities	12	1,293,146	1,194,026
Provisions	13	10,851	2,837
Total Non-Current Liabilities		1,303,997	1,196,863
Total Liabilities		2,194,763	2,084,972
Net Assets		3,376,306	3,499,234
Members' Funds			
Reserves		353,327	353,327
Retained earnings		3,022,979	3,145,907
		3,376,306	3,499,234

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 2015

	Retained Profits	Capital Profits Reserve	Total
	\$	\$	\$
Balance 1 July 2013	3,525,703	353,327	3,879,030
Profit for the year	(379,796)	-	(379,796)
Balance 30 June 2014	<u>3,145,907</u>	<u>353,327</u>	<u>3,499,234</u>
(Loss)/Profit for year	(122,928)	-	(122,928)
Balance 30 June 2015	<u>3,022,979</u>	<u>353,327</u>	<u>3,376,306</u>

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 2015

	Note	2015 \$ Inflows (Outflows)	2014 \$ Inflows (Outflows)
Cash flows from operating activities			
Receipts from customers		4,669,661	3,791,879
Payments to suppliers and employees		(4,471,955)	(3,947,998)
Rent received		125,161	107,126
Net cash provided by operating activities	14	322,867	(48,993)
Cash flows from investing activities			
Payments for property, plant & equipment		(499,153)	(917,593)
Proceeds from sale of assets		71,408	72,374
Net cash used in investing activities		(427,745)	(845,219)
Cash flows from financing activities			
Repayments of borrowings		(335,121)	(304,952)
Proceeds from borrowings		340,299	1,079,454
Net cash used in financing activities		5,178	774,502
Net (decrease)/increase in cash held		(99,700)	(119,710)
Cash at the beginning of the financial year		70,449	190,159
Cash at the end of the financial year		(29,251)	70,449

The accompanying notes form part of these financial statements.

The Entrance Bowling Club Limited

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Notes to the Financial Statements For The Year Ended 30 June 2015

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.

The following Accounting Standards and Interpretations are most relevant to the company:

- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Liabilities
- AASB 2013-3 Amendments to AASB 136 – recoverable Amount Disclosures for Non Financial Assets
- AASB 2014-1 Amendments to Australian Accounting Standards (Part A to C)

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 2015

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.

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Notes to the Financial Statements
For The Year Ended 30 June 2015

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	20 – 33%
Plant & equipment	5-50%
Leased plant	20%
Motor vehicles	33%

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.

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Notes to the Financial Statements
For The Year Ended 30 June 2015

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.

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Notes to the Financial Statements
For The Year Ended 30 June 2015

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.

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Notes to the Financial Statements
For The Year Ended 30 June 2015

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
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Notes to the Financial Statements
For The Year Ended 30 June 2015

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 2015 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 2015

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
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Notes to the Financial Statements
For The Year Ended 30 June 2015

	2015	2014
	\$	\$
Note 2. Revenue		
Sale of Goods		
Bar sales	1,619,250	1,461,665
Catering sales	225,381	-
	1,844,631	1,461,665
Rendering of Services		
Net clearances	2,340,078	1,890,024
Member bowls	88,453	85,608
Ladies bowls	34,769	44,998
Market nights, functions	171,310	147,993
	2,634,610	2,168,623
Other Revenue		
TAB & Keno commissions	79,701	77,238
Commissions received	5,722	5,504
Members subscriptions	30,546	28,000
Rents	125,161	107,126
Telephone receipts	352	679
Rebates	35,426	30,159
Sundry income	40,211	18,586
	317,119	267,292
Total Revenue	4,796,360	3,897,580
Other Income		
Gain on disposal of assets	61,144	71,524
Total Revenue and Other Income	4,871,930	3,969,104
Note 3. Expenses		
Cost of sales	796,435	626,539
Finance costs		
- external	55,201	62,267
Depreciation	493,318	461,720

The Entrance Bowling Club Limited
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Notes to the Financial Statements
For The Year Ended 30 June 2015

	2015 \$	2014 \$
Note 4. Cash and Cash Equivalents		
Cash on hand	88,180	120,636
Cash at bank	50,847	49,700
	<u>139,027</u>	<u>170,336</u>
 Note 5. Trade and Other Receivables		
Other receivables	<u>4,822</u>	<u>3,284</u>
 Note 6. Inventories		
Stock on hand	<u>34,420</u>	<u>33,130</u>
 Note 7. Other Current Assets		
Prepayments	<u>72,514</u>	<u>52,741</u>

The Entrance Bowling Club Limited
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Notes to the Financial Statements
For The Year Ended 31 December 2015

	2015 \$	2012 \$
Note 8. Property, Plant and Equipment		
Leasehold improvements – at cost	5,161,279	5,148,343
Less accumulated depreciation	(2,331,352)	(2,185,121)
	2,829,927	2,963,222
Plant and equipment – at cost	3,561,874	3,283,076
Less accumulated depreciation	(2,326,720)	(2,166,489)
	1,235,154	1,116,587
Furniture and fittings – at cost	591,273	570,664
Less accumulated depreciation	(488,534)	(443,092)
	102,739	127,572
Total Property, Plant and Equipment	4,167,820	4,207,381

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 Improvements \$	Plant & Equipment \$	Furniture & Fittings \$	Total \$
Balance at the beginning of the year	2,963,222	1,116,587	127,572	4,207,381
Additions	12,936	424,948	20,609	458,493
Disposals	-	(10,264)	-	(10,264)
Depreciation for the year	(146,231)	(296,117)	(45,442)	(487,790)
Carrying amount at the end of the year	2,829,927	1,235,154	102,739	4,167,820

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Notes to the Financial Statements
For The Year Ended 30 June 2015

	2015	2012
	\$	\$
Note 9. Investment Property (Cost model)		
Rental properties - at cost	1,255,191	1,214,531
Less: accumulated depreciation	102,725	(97,197)
	1,152,466	1,117,334

The cost model is applied to all investment property. A recent valuation of the properties has not been undertaken. Based on local market values, the Directors are of the opinion that the value of the properties on an individual basis is well in excess of the book value. The Directors believe that if the Club's adjoining rental properties were to be combined for the purpose of a future commercial development, the value would be significantly in excess of the book value.

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:

	Investment Property \$	Total \$
Balance at the beginning of the year	1,117,334	1,117,334
Additions	40,660	40,660
Disposals		
Depreciation for the year	(5,528)	(5,528)
Carrying amount at the end of the year	1,152,466	1,152,466

Note 10. Trade and Other Payables

Trade creditors and accruals	151,444	158,250
	151,444	158,250

Note 11. Other Current Liabilities

Income in advance	17,566	25,395
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The Entrance Bowling Club Limited
ABN 29 000 956 052

Notes to the Financial Statements
For The Year Ended 30 June 2015

	2015 \$	2014 \$
Note 12. Financial Liabilities		
Current		
Business loan - secured	84,000	118,840
Hire purchase liabilities - secured	228,030	287,132
Bank overdraft – secured	168,278	99,887
	<u>480,308</u>	<u>505,859</u>
Non-Current		
Business loan - secured	1,044,468	812,256
Hire purchase liabilities - secured	248,678	381,770
	<u>1,293,146</u>	<u>1,194,026</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	241,448	198,605
Non-current employee benefits	10,851	2,837
	<u>252,299</u>	<u>201,442</u>

The Entrance Bowling Club Limited
ABN 29 000 956 052

Notes to the Financial Statements
For The Year Ended 30 June 2015

	2015 \$	2014 \$
Note 14. Cash Flow Information		
(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	88,180	120,636
Cash at bank	50,847	49,700
Bank overdraft	(168,278)	(99,887)
	(29,251)	70,449
(a) Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax		
(Loss)/Profit from ordinary activities after income tax	(122,928)	(379,796)
Non-cash flows in profit from ordinary activities		
Depreciation	493,318	461,720
Net gain on disposal of assets	(61,144)	(71,524)
Changes in assets and liabilities		
(Increase)/decrease in other debtors	(1,538)	1,425
(Increase)/decrease in inventories	(1,290)	6,062
(Increase)/decrease in other assets	(19,773)	(20,496)
Increase/(decrease) in payables	(6,806)	(32,183)
Increase/(decrease) in provisions	50,857	(16,747)
Increase/(decrease) in other liabilities	(7,829)	2,546
Cash flow from operations	322,867	(48,993)

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

Notes to the Financial Statements
For The Year Ended 30 June 2015

2015 2014
\$ \$

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	153,453	170,336
Receivables	4,822	3,284
	<hr/> 158,275	<hr/> 173,620
Financial liabilities		
Trade payables	151,444	158,250
Borrowings	1,773,454	1,699,885
	<hr/> 1,924,898	<hr/> 1,858,135

The company does not have any derivative instruments at 30 June 2015.

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

Notes to the Financial Statements
For The Year Ended 30 June 2015

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 2015, are as follows:

Core properties

Warrigal Street, The Entrance (Club premises)

The above property is leased by the Club

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
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
ABN 29 000 956 052

Directors' Declaration
For The Year Ended 30 June 2015

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 2015 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: 28 August, 2015

The Entrance Bowling Club Limited
ABN 29 000 956 052

**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 2015, 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

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 2015 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: 28 August, 2015