

**Old Bar Beach Bowling Club Ltd
2017
Annual Report**



C L U B

West

**OLD BAR BEACH BOWLING CLUB LIMITED
A.C.N. 001 068 104**

NOTICE OF ANNUAL GENERAL MEETING

The ANNUAL GENERAL MEETING of MEMBERS of the Old Bar Beach Bowling Club Limited will be held in the Auditorium of Club Old Bar, 1 Belford Street, Old Bar 2430

on

**Sunday 22nd October 2017
Commencing at 9.30 am.**

The order of business at the Annual General Meeting shall be:

- 1) Confirmation of the minutes of the last Annual General Meeting
- 2) Consideration of Special Resolutions of which due notice has been given.
- 3) Consideration of the Annual Report and Balance Sheet, Statement of Accounts and Auditors Report
- 4) Consideration of allowances and benefits for Office Bearers
- 5) General Business

ANNUAL REPORT AND BALANCE SHEET 2017

Old Bar Beach Bowling Club Limited
1 Belford Street, Old Bar, NSW, 2430
ABN 98 001 068 104

Board of Directors at 30th June 2017

President	Trevor Wisemantel
Treasurer...	Murray Relf
Directors...	Kevin Heaslip Clare Horrocks Anthony Cavanagh Warren Fischer

Patron	Robert Lauder
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Life Members:	Andy Gilbert	Roy Meguyer	Clare Horrocks
	Roy Lewis	Edward Baldwin	Malcolm Ladmore
	Henry Wilson	Flo Evans	George Shreeve
	Robert Lauder	Irene Dobbs	Beatrice Gould
	Doreen Street	Matt Everingham	Raymond Cavanagh
	Joan Hinton	Lyn Carle	

Bankers	National Australia Bank, Taree Westpac, Taree St. George Bank, Taree
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Legal	Pigott Stinson Lawyers Walker Legal Taree
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Auditor	Essential Assurance Services Pty Ltd
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Management	Tony Jones	General Manager
	Kim White	Assistant Manager
	Troy Roese/Michael Burnett	Site Manager Club West
	Sharon Osborn	Functions Manager
	Josh Robards	Duty Manager
	Anthony Jenkins	Head Chef

Consideration of Allowances and Benefits for Office Bearers:

That pursuant to the Registered Club Act.

- A: The Members hereby approve expenditure by the Club of a reasonable sum for professional development and education of Directors and Management over the next twelve months, including:
- (i) The reasonable cost of travel, accommodation and food for Directors and Management attending the Registered Clubs Association Annual General Meeting.
 - (ii) The reasonable cost of travel, accommodation and food for Directors and Management attending Seminars, Lectures, Trade Displays, Organised Study Tours, Fact Finding Tours and other similar events as may be determined by the Board from time to time.
 - iii) The reasonable cost of Directors and Management attending other Clubs for the purpose of observing their facilities and methods of operation.
 - (iv) Attendance at functions with spouses where appropriate and required, to represent the Club.
 - (v) The reasonable expenditure for beverage for each Director and Management at the conclusion of Board Meetings.
 - (vi) That should the Board resolve that a uniform is required for Directors that this uniform will be provided at Club expense.
- B: The Members acknowledge that the benefits are not available to members generally, but only those who are Directors or Management of the Club.

PRESIDENT'S REPORT

It is indeed a great pleasure to report the continuing success of Old Bar Beach Bowling Club Limited in its 51st year of operation.

We have had an outstanding result which places our business in a strong position to progress with Strategic Projects. In this regard:

- We are in the process of upgrading Club Old Bar entrance and bar facilities, due for completion late November 2017.
- As part of our diversification, we are progressing development of a 28 room motel on land adjacent to the Club. Development Application, with final plans is hoped to be lodged with MidCoast Council by the end of 2017.
- We have continued to fund Capital Projects from cash flow including the purchase of 41 Richardson Street, Old Bar property.
- Motel will be funded from accumulated funds and bank borrowings (yet to be determined).

Board responsibilities and procedures are in place aligned to Governance, Compliance, Accountability and Risk Management. An "Unqualified Audit Report" confirms adherence to requirements.

It is of comfort that both Club Old Bar and Club West are meeting financial expectations.

To General Manager Tony Jones, Management and Staff, congratulations and sincere thanks for your continued excellence and delivery of superior customer service. Thanks also to my fellow Directors for your commitment in ensuring our business continues to be highly successful.

Finally, my special thanks to our 5000 members and visitors for your ongoing patronage and contribution to the success of our two Community Clubs.

Trevor Wisemantel

President

TREASURERS REPORT

I am very pleased to report on our Clubs financial performance for the 12 months ending 30 June 2017.

Our net profit for the period was an outstanding amount of \$776,123 (\$444,568 for year ending 2016), however this includes an item of \$162,820 representing a required revaluation of our Poker Machine entitlements. I believe we need to take a cautious approach to revaluing any assets, in particular those like Poker Machine licences. It may occur going forward that a revision of such assets may result in a negative figure, and at that time this will impact upon our profit. We will be maintaining close control of such revaluations to ensure these remain current and adjusted accordingly.

Both of our Clubs have traded strongly again and our total trading revenue for the year was \$6,153,580 (\$5,746,288 for 2016). This increase was well above CPI for the year and indicates a growing and healthy business. Total assets for the group are \$12,706,514 (\$11,880,927 for 2016) with liabilities of \$781,664 (\$732,200 for 2016) and thus we are in a very strong financial position. Cash reserves are \$2,895,418 (\$2,402,051 for 2016) and this is after the purchase of an adjoining property.

The Board has continued with plans to ensure our assets are modern, well maintained and are also catering to our members requirements to a high standard. Shortly we will see a major upgrade to the Bar area at Club Old Bar, and this will be a very impressive improvement. We are also very conscious of the need to diversify our Revenue sources. The Club industry has been on notice for some years that changing community attitudes and growing electronic usage will see some traditional income streams dissipate and could possibly disappear altogether. Hence to ensure our Clubs are viable trading entities into the future we need to diversify, thus the plans to progress a Motel development dovetail very well with our core business.

My thanks and congratulations on this outstanding result are extended to our CEO Tony and his team for their hard work, professionalism and dedication to our Clubs and members. I also thank my fellow Directors and Internal Club officers for their assistance throughout the year.

Murray Relf

Treasurer

GENERAL MANAGER'S REPORT

At the end of another financial year we find ourselves in a much more positive state than last year.

The business made a substantial profit, far in excess of budget, we are financially sound as our investments continue to grow and we continue to re-invest in our business. Membership is at the highest level in the club's history, patron numbers visiting our Clubs continues to increase and our esteem in the community remains high.

During the financial year the overall revenue increased by 7%.

Bar sales increased by 10%, Catering Sales were steady, Poker Machine revenue increased by 8%. There was a 1.2% increase in expenses with electricity and members amenities being the bigger contributors. Assets remain well ahead of liabilities.

New plant and equipment purchased during the year included:

- Poker Machines at Club Old Bar and Club West
- Purchase of 41 Richardson Street Old Bar
- Ticket In Ticket Out System at Club West
- Paint of the exterior of Club West
- Renovations to the outdoor poker machine area at Old Bar
- Tables and chairs for the Wine Bar
- POS Scanners printers and terminals at Club Old Bar and Club West
- Dishwasher at Club Old Bar
- Note Sorter / Counter Club Old Bar and Club West
- Coffee machine Taree West
- Jumping Castle at Club West
- Air Conditioners
- PA System and security cameras at Club West

Food and entertainment remains as the biggest attractants at both Clubs.

Other factors that affect profitability are the decline on the interest we receive on our investments and the decline in the number of bowlers both locally and nationally.

This year's success could not have been achieved without the contribution of the Team: Members, Board, Management and Staff. I would personally like to thank the Board for their guidance and support. I am grateful for the support of an outstanding Management team proficiently led by Kim White whom have the pride and the passion to apply the vision set for our business. I am also appreciative of an outstanding staff that provide our members with outstanding customer service. The Club is also very fortunate to have very motivated and dedicated contractors.

As a not-for-profit community Club, the team is fully aware of our corporate governance requirements, fiscal diligence and community obligations. The members should be proud of the Club's support of the community with an ongoing commitment

to support local charities and sporting organisations and it is the support of our communities that makes our Clubs remarkable.

On behalf of the management and staff I would like to thank the members for their support and patronage of our amazing clubs. I am sure that along with the Directors and staff you look forward to the continued development in what should be another exciting year ahead.

Tony Jones
General Manager

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104

FINANCIAL REPORT
FOR THE YEAR ENDED
30 June 2017

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104

DIRECTORS' REPORT

The directors present their report together with the financial report of Old Bar Beach Bowling Club Limited ("the Company") for the financial year ended 30 June 2017 and the auditor's report thereon.

Directors

The names of directors in office at any time during or since the end of the year are:

Trevor Wisemantel	President Director 7 years
Matthew Delaney	Appointed 19 October 2014 Resigned 30 January 2017 Director 2 years
Heather Rickard	Director 4 years Resigned 23 October 2016
Clare Horrocks	Junior Vice President Director 12 years
Kevin Heaslip	Director 6 years
Pamela Johnson	Senior Vice President Resigned 23 October 2016 Director 4 years
Anthony Cavanagh	Appointed 19 October 2014 Director 3 years
Murray Relf	Treasurer Appointed 28 September 2015
Warren Fischer	Appointed 23 October 2016

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

Company Secretary

Mr Anthony Jones held the position of Company Secretary as at the end of the financial year. Mr Jones was appointed Company Secretary on 8th January 1997 and has held the position since that time.

Description of Company

This report covers the single entity Old Bar Beach Bowling Club Limited a public company limited by guarantee.

OLD BAR BEACH BOWLING CLUB LIMITED

ABN 98 001 068 104

DIRECTORS' REPORT

Description of objectives

The principal objectives of the company, outlined in more detail in the company's constitution, are:

Short-term

To promote and conduct the game of bowls and such other social and educational undertakings, sports, games, amusements and entertainments, pastimes and recreations, indoor and outdoor, as the club may deem expedient.

Long-term

To acquire, construct, establish, provide, maintain and conduct social, educational and sporting facilities, playing areas and grounds as the Club may determine and to construct, provide, establish, furnish and maintain clubhouses and other buildings containing such amenities, conveniences and accommodation either residential or otherwise as the Club determines as expedient to fulfil its core objects.

Strategies for achieving objectives

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

- To ensure the financial stability of the club by continued financial management.
- To promote and hold, either alone or jointly with any other association, competitions, matches and sports and to offer, give or contribute towards prizes.
- Close liaison with the Registered Clubs Association and Royal NSW Bowling Association and any other club, association or organisation formed for the purpose of promoting the interests of the club and its sporting, social and other activities.
- To make donations to such persons or organisations the Club determines as conducting activities conducive to its objects.

Principal activities

The principal activity of the club during the year was operating as a licenced bowling, sporting and social club and there has been no change in that activity from the prior year.

The contribution from trading as a licensed club contributes to the significant expense of maintaining the clubhouses and bowling greens and enables bowls and other sports and pastimes to be promoted both within the club and the broader community.

The company employs a functions manager to co-ordinate social and other activities. Committees and sub clubs coordinate the various sporting activities and hobbies conducted.

Measures of performance

The company measures its financial performance by comparison of financial results to budget, last year's results and key financial ratios such as bar gross profit percentages.

Operating Result

The profit of the company amounted to \$776,123 (2016: \$444,568). The company is not currently subject to income tax.

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104

DIRECTORS' REPORT

Meetings of Directors

During the financial year, 12 meetings of directors were held. Attendances were:

	DIRECTORS' MEETINGS	
	Number eligible to attend	Number Attended
Trevor Wisemantel	12	11
Warren Fischer	9	8
Pamela Johnson	3	3
Heather Rickard	3	2
Clare Horrocks	12	11
Kevin Heaslip	12	10
Matthew Delaney	7	4
Anthony Cavanagh	12	8
Murray Relf	12	12

Future developments

The company is committed to providing leading community venues for sport and special activities. The Board are considering the feasibility of construction of a motel at Old Bar and are continuing to budget for the refurbishment of Club West and Club Old Bar.

Guarantee of members

The company is a public company limited by guarantee incorporated under the *Corporations Act 2001*. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$4 towards meeting any outstanding obligations of the company. At 30 June 2017, the total aggregate amount members of the company were liable to contribute if the company was wound up was \$21,036 (2016: \$18,684).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2017 has been received and can be found following the directors' report.

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104

DIRECTORS' REPORT

Rounding of Amounts

Amounts in the financial statements and directors' report have been rounded to the dollar and accordingly small rounding errors may occur.

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



Trevor Wisemantel
Director



Murray Relf
Director

Dated this 28th day of August 2017

**OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF OLD BAR BEACH BOWLING CLUB LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 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.

Essential Assurance Services Pty Ltd
ABN 51 119 802 229
Registered company auditor No. 305383

Signed by:



Rhonda Futterleib
9/57 Pulteney Street, Taree, NSW, 2430
Dated this 28th day of August 2017

Liability limited by a scheme approved under Professional Standards Legislation

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104
STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		\$	\$
Revenue	2	6,153,580	5,746,288
Other income	2	68,803	80,645
Cost of sales		(1,201,287)	(1,117,656)
Employee benefits expense		(1,620,518)	(1,551,867)
Depreciation and amortisation expense		(654,129)	(652,728)
Finance costs		(2,970)	(3,273)
Impairment- poker machine entitlements		162,820	-
Other expenses	3	(2,130,176)	(2,056,841)
Profit/(loss) before income tax		<u>776,123</u>	<u>444,568</u>
Income tax expense		-	-
Profit/(loss) for the year		<u>776,123</u>	<u>444,568</u>
Other Comprehensive income/ (loss) for the year		-	-
Comprehensive income/ (loss) for the year		<u>776,123</u>	<u>444,568</u>

The accompanying notes form part of these financial statements.

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	2,895,418	2,402,051
Trade and other receivables	6	85,817	52,827
Inventories	7	87,558	85,653
Financial assets	8	205,136	455,000
Other	10	48,357	41,721
TOTAL CURRENT ASSETS		3,322,286	3,037,252
NON-CURRENT ASSETS			
Property, plant and equipment	9	8,780,539	8,399,917
Intangibles	11	603,689	443,758
TOTAL NON-CURRENT ASSETS		9,384,228	8,843,675
TOTAL ASSETS		12,706,514	11,880,927
CURRENT LIABILITIES			
Trade and other payables	12	605,708	595,658
Financial liabilities	13	33,561	31,357
Employee benefits	14	36,741	41,799
Other	15	27,241	20,655
TOTAL CURRENT LIABILITIES		703,251	689,469
NON-CURRENT LIABILITIES			
Financial liabilities	13	47,544	-
Employee benefits	14	30,869	42,731
TOTAL NON-CURRENT LIABILITIES		78,413	42,731
TOTAL LIABILITIES		781,664	732,200
NET ASSETS		11,924,850	11,148,727
EQUITY			
Retained earnings		11,924,850	11,148,727
TOTAL EQUITY		11,924,850	11,148,727

The accompanying notes form part of these financial statements.

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Retained Earnings	Asset Revaluation Reserve	Other Reserves	Total
	\$	\$	\$	\$
Balance at 30 June 2015	10,704,159	-	-	- 10,704,159
2016 Profit/(loss) for the year	444,568	-	-	- 444,568
Other Comprehensive income/ (loss) for the year	-	-	-	-
Balance at 30 June 2016	11,148,727	-	-	- 11,148,727
2017 Profit/(loss) for the year	776,123	-	-	- 776,123
Other Comprehensive income/ (loss) for the year	-	-	-	-
Balance at 30 June 2017	11,924,850	-	-	- 11,924,850

The accompanying notes form part of these financial statements.

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers & sponsors		6,660,770	6,222,940
Payments to suppliers and employees		(5,194,014)	(4,900,112)
Interest received		36,045	70,200
Finance costs		(2,970)	(3,473)
Net GST remitted to ATO		(336,220)	(265,405)
Net cash provided by (used in) operating activities	19	1,163,611	1,124,150
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant & equipment		82,824	-
Purchase of property, plant and equipment		(1,052,680)	(869,496)
(Investment)/redemption term deposits		249,864	(249,003)
Net cash provided by (used in) investing activities		(719,992)	(1,118,499)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of / (Proceeds from) borrowings		49,748	(24,321)
Net cash provided by (used in) financing activities		49,748	(24,321)
Net increase/ (decrease) in cash held		493,367	(18,670)
Cash at beginning of financial year	5	2,402,051	2,420,721
Cash at end of financial year	5	2,895,418	2,402,051

The accompanying notes form part of these financial statements.

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover the single entity Old Bar Beach Bowling Club Limited a public company limited by guarantee, incorporated and domiciled in Australia. The company's principal activity is operating licensed bowling clubs at Old Bar and Taree West.

The company applies the Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001. The company is a not-for-profit company for financial reporting purposes under Australian Accounting Standards.

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

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 28th August 2017 by the directors of the company.

Unless otherwise stated other Australian accounting standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ending 30 June 2017.

Accounting Policies

a. *Principal Activity*

The company operates as a licensed bowling, sporting and social club.

b. *Income Tax*

The Directors consider the company exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997. This exemption applies only whilst the company remains predominantly established for the encouragement or promotion of a game or sport and satisfies the requirements of that section. As the company is subject to self assessment its tax status will be regularly reviewed.

c. *Inventories*

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first in first out basis.

d. *Land for Sale*

When applicable, land held for sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development are expensed. Profits are brought to account on the signing of an unconditional contract of sale.

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CON'T

e. *Construction Contracts and Work in Progress*

Construction work in progress is valued at cost, less any provision for anticipated future write-offs. Where write-offs are anticipated they are provided for in full.

f. *Property, Plant and Equipment*

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

Property

Land and buildings are measured at cost.

Plant and equipment

Plant and equipment are measured on the cost basis.

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 asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts. A formal assessment of recoverable amounts is made when an impairment indicator is present.

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 Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the Statement of Profit or Loss and Other Comprehensive Income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the Statement of Profit or Loss and Other Comprehensive Income and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

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

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 their useful lives to the company 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.

OLD BAR BEACH BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CON'T

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

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	2.50-25.00%
Furniture and fittings	5.00-20.00%
Greens & outdoor equipment	2.50-20.00%
Office equipment	5.00-33.33%
Other plant and equipment	4.00-33.33%
Bar plant and equipment	7.00-20.00%
Catering plant and equipment	2.50-33.33%
Keno and TAB	5.00-10.00%
Poker machines	7.50-33.33%
Motor vehicles	12.50%
Leased plant and equipment	25.00%
Plant and equipment rental houses	7.62-10.00%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

g. *Company Limited by Guarantee*

The company is limited by a guarantee of members to contribute in the event of a winding up, a sum not exceeding \$4.00 per member. At 30 June 2017 there were 5,269 (2016: 4,671) members. As the company does not have share capital it cannot pay dividends.

h. *Investment Property*

When applicable investment property is held to generate long-term rental yields. All tenant leases are on an arm's length basis. Investment property is carried at cost. The two rented properties are not classified as investment property.

i. *Leases*

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

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CON'T

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will gain ownership of the asset.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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

j. *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 (ie 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 arm's length transactions, reference to similar instruments and option pricing models.

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

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

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CON'T

process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available -for-sale financial assets are classified as current assets.

(v) *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 of financial assets

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 that impairment as a result of one or more events (a "loss event") has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

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 accounts.

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CON'T

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.

Derecognition

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

k. *Impairment of Assets*

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity 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.

l. *Affiliated Clubs*

Affiliated clubs are amalgamated with the main company unless they can demonstrate financial and legal independence.

m. *Interests in Joint Ventures*

The company does not have any interests in joint ventures.

n. *Intangibles*

Poker Machine Entitlements

Purchased poker machine entitlements are initially recorded at cost. They do not have finite useful lives. They are tested annually for impairment and are carried at cost less accumulated amortisation and impairment losses. No asset has been recognised for existing entitlements.

Goodwill

When applicable goodwill is initially recorded at the amount by which the purchase price for a business exceeds the fair value attributed to its net assets at date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

OLD BAR BEACH BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CON'T

Software

Software is recorded at cost. Software has a finite life and is carried at cost less accumulated amortisation and any impairment losses. It has an estimated useful life of between one and three years. It is assessed annually for impairment.

o. *Employee Benefits*

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled *wholly* within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the Statement of Financial Position.

Where annual leave is wholly expected to be settled within 12 months of reporting date it is recognised in other payables in respect of employee service up to the reporting date. It is measured at the amount expected to be paid when liabilities are settled.

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits where they are not expected to be settled *wholly* within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its Statement of Financial Position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

p. *Provisions*

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

q. *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.

OLD BAR BEACH BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CON'T

r. *Revenue*

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

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from investment properties is recognised on an accruals basis or straight-line basis in accordance with lease agreements.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

s. *Borrowing Costs*

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit or Loss and Comprehensive Income in the period in which they are incurred.

t. *Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised exclusive of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

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

u. *Comparative Figures*

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

v. *Rounding of Amounts*

Amounts in the financial statements and directors' report have been rounded off to the nearest \$1 and accordingly small rounding errors may result.

Critical Accounting Estimates and Judgments

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

OLD BAR BEACH BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CON'T

Key Estimates — Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Judgments

No specific key judgements were required in preparing the Financial Statements.

	Note	2017	2016
		\$	\$
NOTE 2: REVENUE & OTHER INCOME			
Operating activities			
- sale of goods & services		3,072,010	2,913,002
- poker machine receipts		2,536,150	2,342,395
- interest received	a.	62,828	54,346
- government subsidies received		39,360	37,360
- other revenue		84,916	80,237
- rental revenue for property investment		4,115	15,665
- services revenue-member subscriptions		18,978	21,399
- services revenue-green fees		14,969	18,069
- services revenue-raffles		84,772	94,329
- insurance recoveries		60,147	9,757
- commissions		175,335	159,729
Total Revenue		6,153,580	5,746,288
Non-operating activities			
- gain on disposal of property, plant and equipment		68,803	80,645
Other income		68,803	80,645
Total		6,222,383	5,826,933
a. Finance Income			
Interest Received – other entities		62,828	54,346
		62,828	54,346

OLD BAR BEACH BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 3: OTHER EXPENSES	2017	2016
Included in other expenses are the following items requiring specific disclosure:-	\$	\$
Increase/(decrease) in employee provisions	(13,684)	18,870
Loss on sale of plant & equipment	6,797	31
Rental expense on operating leases	-	200
Rental expense on property generating rental income	12,534	11,225
Poker machine annual duty	260,946	235,610
Contract cleaning	147,786	146,250
Donations	99,672	129,305
Electricity	135,321	127,209
Insurance – general and workers compensation	94,207	98,438
Members amenities	273,043	259,271
Promotions	138,883	142,452
Repairs and maintenance	237,116	256,272

NOTE 4: RELATED PARTY & KEY MANAGEMENT DISCLOSURE

Key management personnel compensation

Key management personnel comprise directors and other persons having authority and responsibility for planning, directing and controlling the activities of the Company

Total key management personnel compensation	444,111	481,177
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Related parties

Some employees are related to the key management personnel and other management. They are employed as per the award. The aggregate amount of benefits received are as follows:-

Total	3,350	-
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Other related parties

Director Kevin Heaslip's related entity Fabart Screen Printing was paid \$7,149 during the year. (2016: \$7,563)

OLD BAR BEACH BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash in hand	163,800	161,572
Cash at bank	66,301	88,518
Cash at bank – other	285,839	227,670
Cash at bank – Invest. Acc. At call	509,478	924,291
Cash at bank – Invest. Acc. < 3 months	1,870,000	1,000,000
	<u>2,895,418</u>	<u>2,402,051</u>

NOTE 6: TRADE AND OTHER RECEIVABLES

CURRENT

Trade debtors	38,192	30,753
Sundry debtors	47,625	20,895
Other debtors	-	1,179
	<u>85,817</u>	<u>52,827</u>

No provision for impairment is deemed necessary (2016: Nil) and there is no material exposure to any single receivable.

All receivables are expected to be collected within 30 days.

NOTE 7: INVENTORIES

CURRENT

Finished goods – at cost	<u>87,558</u>	<u>85,653</u>
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NOTE 8: FINANCIAL ASSETS

Held-to-maturity Investments

Interest bearing bank term deposits > 3 months terms	<u>205,136</u>	<u>455,000</u>
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The effective interest rate at 30 June 2017 was 2.55 % (2016: 2.89%)

OLD BAR BEACH BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 9: PROPERTY PLANT & EQUIPMENT	2017	2016
	\$	\$
<i>LAND AND BUILDINGS</i>		
Building work in progress – at cost	114,552	82,411
Land (Old Bar Clubhouse) – at cost	29,049	29,049
Land – (Taree West) – at cost	200,000	200,000
Greens – at cost	16,550	16,550
Land – (Rented Properties) – at cost	681,252	240,000
Buildings – at cost	9,045,564	9,024,899
Provision for depreciation	(2,807,480)	(2,562,672)
	<u>6,238,084</u>	<u>6,462,227</u>
Total Land and Buildings	<u><u>7,279,487</u></u>	<u><u>7,030,237</u></u>
<i>PLANT AND EQUIPMENT</i>		
Catering plant and equipment	280,555	296,245
Less Provision for depreciation	(211,446)	(226,288)
	<u>69,109</u>	<u>69,957</u>
Plant and equipment	381,815	327,775
Less Provision for depreciation	(320,876)	(268,665)
	<u>60,939</u>	<u>59,110</u>
Motor vehicles	102,390	120,482
Less Provision for depreciation	(36,974)	(42,268)
	<u>65,416</u>	<u>78,214</u>
Office Equipment	120,353	133,961
Less Provision for depreciation	(103,798)	(104,258)
	<u>16,555</u>	<u>29,703</u>

OLD BAR BEACH BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONT.)

	2017	2016
	\$	\$
Greens & outdoor equipment	757,629	749,857
Less Provision for depreciation	(429,411)	(386,416)
	328,218	363,441
Furniture & Fittings	593,826	597,821
Less Provision for depreciation	(506,694)	(481,971)
	87,132	115,850
Other plant & equipment	329,680	311,593
Less Provision for depreciation	(291,280)	(277,725)
	38,400	33,868
Poker machines	2,993,716	2,352,446
Less Provision for depreciation	(2,164,774)	(1,767,237)
	828,942	585,209
Leased plant & equipment	21,992	78,079
Less Accumulated amortisation	(21,992)	(50,843)
	-	27,236
Plant and equipment rental houses	13,133	13,745
Less Provision for depreciation	(6,792)	(6,653)
	6,341	7,092
Total plant & equipment	1,501,052	1,369,680
Total Property, Plant & Equipment	8,780,539	8,399,917

OLD BAR BEACH BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONT.)

a. *Movements in Carrying Amounts*

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

	1 July 2016	Adds	Disposals/ Transfers	Depreciation	30 June 2017
	\$	\$	\$	\$	\$
Building – WIP see (b) below	82,411	32,141	-	-	114,552
Land - Old Bar	29,049	-	-	-	29,049
Land – Taree West	200,000	-	-	-	200,000
Greens	16,550	-	-	-	16,550
Land – rented properties	240,000	441,252	-	-	681,252
Buildings and improvements	6,462,227	20,765	(9,324)	(235,584)	6,238,084
Catering	69,957	16,830	(2,803)	(14,875)	69,109
Plant & equipment	59,110	27,361	(3,489)	(22,043)	60,939
Motor vehicles	78,214	-	-	(12,798)	65,416
Office equipment	29,703	-	(105)	(13,043)	16,555
Greens & outdoor equipment	363,441	5,521	(2,703)	(38,041)	328,218
Furniture & fittings	115,850	2,776	(152)	(31,342)	87,132
Other plant	33,868	51,943	(28,873)	(18,538)	38,400
Poker machines	585,209	442,613	51,840	(250,720)	828,942
Leased equipment	27,236	-	(14,021)	(13,215)	-
Plant & equipment rental houses	7,092	-	(1)	(750)	6,341
TOTAL excluding WIP	8,317,506	1,009,061	(9,631)	(650,949)	8,665,987
TOTAL including WIP	8,399,917	1,041,202	(9,631)	(650,949)	8,780,539

	2017 \$	2016 \$
b. Carrying Amount of Plant and Equipment in the Course of Construction	114,552	82,411

Work in progress relates to the Old Bar Beach Bowling Club and Taree West Bowling Club development plans and represents council application design fees etc.

Core Property

For the purposes of the Registered Clubs Act all land and buildings are core property except for the two rented properties at Waterman Street.

OLD BAR BEACH BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 10: OTHER ASSETS	2017	2016
	\$	\$
CURRENT		
Prepayments	48,357	41,721

NOTE 11: INTANGIBLES

Poker machine entitlements at cost	603,689	603,689
Impairment loss	-	(162,820)
Carrying amount	603,689	440,869
Computer software at cost	87,370	87,370
Less: Accumulated amortisation	(87,370)	(84,481)
Carrying amount	-	2,889
Total Intangibles	603,689	443,758

Poker machine entitlements at cost only represent purchased entitlements. Existing entitlements created at nil cost have not been brought to account.

Movement in written down value	Poker Machine Entitlements	Software
	\$	\$
Opening balance at 1 July 2016	440,869	2,889
Amortisation charge	162,820	(2,889)
Closing balance at 30 June 2017	603,689	-

Intangible assets, other than poker machine entitlements, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the Statement of Profit or Loss and Other Comprehensive Income.

Poker machine entitlements have been determined to have indefinite useful lives on the basis that there is no set expiry or cancellation date. The carrying amount of the entitlements was tested against recent transactions to check whether they were disclosed in excess of their recoverable amount. The result was the value of entitlements exceeded the cost of the entitlements and the provision for impairment was reversed through the profit and loss at 30 June 2017.

OLD BAR BEACH BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 12: TRADE AND OTHER PAYABLES	Note	2017	2016
		\$	\$
CURRENT			
ATM clearing		12,250	23,720
Trade creditors		193,108	269,164
Other creditors & accruals		194,454	91,221
Accrued holiday pay		151,410	141,694
Accrued sick pay		-	3,848
Accrued RDO's		9,157	11,969
GST payable		12,464	22,455
PAYG Withholdings payable		21,766	23,567
Monies held in trust		11,099	8,020
		<u>605,708</u>	<u>595,658</u>

NOTE 13: FINANCIAL LIABILITIES

CURRENT			
Chattel mortgages – bank		33,561	31,357
TOTAL CURRENT		<u>33,561</u>	<u>31,357</u>

NON-CURRENT

Chattel mortgages – bank		47,544	-
TOTAL NON-CURRENT		<u>47,544</u>	<u>-</u>

Lease facilities

Asset finance facility – National Bank		100,000	100,000
Utilised		-	(31,357)
Unused		<u>100,000</u>	<u>68,643</u>

- a. The National Australia Bank has a registered security interest over “all present and after acquired property.”
- b. The motor vehicle finance agreements are chattel mortgage equipment loans secured over the vehicles. Refer also Note 16 (a) in respect of the lease commitments.
- c. There are security interests registered over company property in the Personal Property Securities Register which relate to the above liabilities.
- d. Hire purchase and other equipment finance agreements meeting the definition of a lease under AASB 117 are also classified as lease liabilities.

OLD BAR BEACH BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 14: EMPLOYEE BENEFITS	2017	2016
	\$	\$
<i>Current</i>		
Long Service Leave	36,741	41,799
<i>Non-current</i>		
Long Service Leave	30,869	42,731
Opening balance at 1 July	84,530	76,295
Movement	(16,920)	8,235
Closing balance at 30 June	67,610	84,530

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

Annual leave is only included as a provision if the amounts payable are not expected to be wholly settled within 12 months. The directors believe the annual leave payable as at 30 June 2017 will be wholly settled within 12 months and accordingly annual leave payable is disclosed in Trade and other payables.

NOTE 15: OTHER LIABILITIES

Subscriptions in advance	27,241	20,655
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NOTE 16: CAPITAL AND LEASING COMMITMENTS

a. <i>Finance Lease Commitments</i>		
Payable — minimum lease payments		
— not later than 12 months	33,561	32,842
— between 12 months and 5 yrs	47,544	-
— greater than 5 yrs	-	-
Minimum lease payments	81,105	32,842
Less future finance charges	-	(1,485)
	81,105	31,357

OLD BAR BEACH BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 16: CAPITAL AND LEASING COMMITMENTS CONT

	2017	2016
	\$	\$
b. <i>Operating Lease Commitments</i>		
Payable — minimum lease payments		
-not later than 12 months	-	-
-between 12 months and 5 years	-	-
-greater than 5 years	-	-
Minimum lease payments	-	-

Lessor Disclosure

The company is a lessor in respect of the two rented properties at 46 and 48 Waterman St Old Bar. The properties are being rented on a short term fully furnished basis. Rental income of \$4,115 (2016:\$15,665) and rental expenses of \$12,534 (2016: \$11,225) have been recognised in the Statement of Profit or Loss and Comprehensive Income.

Capital Commitments

The company are investigating the feasibility of constructing a motel in Old Bar. Architects have been consulted to develop concept plans. The Company is also continuing to develop plans for the refurbishment of the main bar at Club Old Bar which directors estimate will cost between \$700,000 and \$750,000. At 30 June 2017 no commitment had been entered into.

NOTE 17: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	2017	2016
	\$	\$
<i>Contingent Liabilities</i>		
Bank guarantee facility to the TAB.	5,000	5,000
No other contingent liabilities existed at 30 June 2017		

NOTE 18: EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2017 which has or will significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in financial years subsequent to 30 June 2017.

OLD BAR BEACH BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 19: CASHFLOW INFORMATION	2017	2016
	\$	\$
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax	776,123	444,568
Non-cash flows in profit		
Depreciation & amortisation	654,129	652,728
Reversal of provision for impairment	(162,820)	-
Net (gain)/loss on disposal of property, plant and equipment	(62,006)	(80,614)
Changes in assets and liabilities		
- (Increase)/decrease in trade receivables	(32,990)	15,282
- (Increase)/decrease in prepayments	(6,636)	(2,669)
- (Increase)/decrease in inventories	(1,905)	6,311
- Increase/(decrease) in trade payables and accruals	6,994	67,202
- Increase/(decrease) in subscriptions in advance	6,586	2,472
- Increase/(decrease) in employee benefits	(13,864)	18,870
Cash flow from operations	1,163,611	1,124,150

NOTE 20: ECONOMIC DEPENDENCY

The company is not economically dependent on any other single entity other than government and regulatory authorities who administer and control liquor and gaming licences and the intrinsic value of poker machine entitlements. The Directors are of the opinion that significant poker machine reforms could materially impact the operations of the company.

NOTE 21: COMPANY DETAILS

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

1 Belford Street
Old Bar NSW 2430

OLD BAR BEACH BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 22: FINANCIAL RISK MANAGEMENT

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Accordingly financial instruments include both financial assets and financial liabilities.

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, leases and poker machine finance agreements.

The carrying amounts 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:

	Note	2017 \$	2016 \$
<i>Financial Assets comprise:</i>			
Cash and cash equivalents	5	2,895,418	2,402,051
Receivables	6	85,817	52,827
Held to maturity investments at cost	8	205,136	455,000
		<u>3,186,371</u>	<u>2,909,878</u>
<i>Financial Liabilities comprise:</i>			
Borrowings at amortised cost	13	81,105	31,357
Trade and other payables -excluding holiday pay, sick leave and RDO's	22(a)	445,141	438,147
		<u>526,246</u>	<u>469,504</u>
<i>(a) Reconciliation of Trade and Other Payables</i>			
Per Statement of Financial Position	12	605,708	595,658
less excluded items:			
Accrued holiday pay, sick leave and RDO's	12	160,567	157,511
<i>Financial Liabilities as Trade and Other Payables</i>		<u>445,141</u>	<u>438,147</u>

There is no material difference between aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements, comprising the:
 - Statement of Financial Position as at 30 June 2017,
 - Statement of Profit or Loss and Other Comprehensive Income,
 - Statement of Changes in Equity
 - Statement of Cash Flows for the year then ended, and
 - Notes to the Financial Statements

are in accordance with the Corporations Act 2001, comply with Australian Accounting Standards – Reduced Disclosure Requirements, and give a true and fair view of the financial position of the company, as at 30 June 2017 and of its performance for the year ended on that date;

2. In the director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



.....
Director Trevor Wisemantel



Director Murray Relf

Dated this 28th day of August 2017

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
OLD BAR BEACH BOWLING CLUB LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Old Bar Beach Bowling Club Limited. (the Company), which comprises the Statement of Financial Position as at 30 June 2017, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies, and the Directors' Declaration.

In our opinion, the accompanying financial report of Old Bar Beach Bowling Club Limited, is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OLD BAR BEACH BOWLING CLUB LIMITED CON'T**

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OLD BAR BEACH BOWLING CLUB LIMITED CON'T**

Auditor's Responsibilities for the Audit of the Financial Report con't

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Essential Assurance Services Pty Ltd
ABN 51 119 802 229
Registered company auditor #305383



Signed by: Rhonda Futterleib
Address: 9/57 Pulteney Street, Taree, NSW, 2430
Dated this 20th September 2017

Liability limited by a scheme approved under Professional Standards Legislation

CLUB
West

WEEKLY SPECIALS
LUNCH & DINNER

<p>MONDAYS</p> <p>\$12</p> <p>CRUMBED LAMB CUTLETS WITH CHIPS & SALAD</p> <p style="text-align: center;">OR</p> <p>LAMB SHANK WITH MASH, PEAS & GRAVY</p>	<p>TUESDAYS</p> <p>\$10</p> <p>FISH & CHIPS WITH CHIPS & SALAD</p> <p style="text-align: center;">OR</p> <p>CHICKEN SCHNITZEL WITH CHIPS & SALAD</p>	<p>SUNDAYS</p> <p>\$10</p> <p>SUNDAY ROAST</p> <p>YOUR CHOICE OF MEATS & GRAVY, BAKED & STEAMED VEGETABLES</p>
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OPEN 7 DAYS
LUNCH FROM 12 - 2PM | DINNER FROM 5.30PM

club old bar
bistro
meal deals

wednesday nights
chicken schnitzel @\$10

thursday nights
Lamb Cutlets @\$12

sunday nights
roast dinner @\$10

monday to friday
lunch - \$10 specials
conditions apply

**CLUB
West**

6-8pm every Thursday night

**MEMBERS
SUPERDRAW**

**JACKPOTS \$1000
EACH WEEK**

PLUS

Other prizes to be won on the night!

**Club
OLD BAR**

6-8pm every Wednesday night

**MEMBERS
SUPERDRAW**

**JACKPOTS \$1000
EACH WEEK**

PLUS

Other prizes to be won on the night!