

**Ettalong Memorial Bowling Club Ltd**  
**ABN 85 001 030 780**

**Annual Report**  
**For The Financial Year Ended**  
**30 June 2018**

**Ettalong Memorial Bowling Club Ltd**  
**ABN 85 001 030 780**

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**Annual Report**  
**For The Financial Year Ended 30 June 2018**

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**Ettalong Memorial Bowling Club Ltd**  
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**Directors' Report**

Your Directors present their report on the company for the financial year ended 30 June 2018.

**Directors**

The names and details of directors in office at the day of this report are:

- Robert Henderson:* Chairman. Retired. Board Member 2000 – 2003. Elected 2004. Member of Policies Committee, Sports, Community and Grants Committee and Disciplinary Committee and Men's Bowling Committee. Life Member
- Ian Chapman:* Snr. Vice Chairman. Retired. Wages Clerk. Elected Director 1999. Elected Vice Chairman 2001. Member of Policies Committee and Sports, Community & Grants Committee and Social Committee. Life Member.
- Reginald Richardson:* Finance Director. Retired. Life Member 2004. Elected on 11 April 2008. Member of Audit & Risk Committee, Sports, Community and Grants Committee and Executive Remuneration Committee and Men's Bowling Committee. Life Member. Life Member of Central Coast Zone 15.
- George Markham:* Jnr. Vice Chairman. Retired Waterside Worker. Elected 1998. Member of Work Health and Safety Committee and Social Committee. Life Member.
- Sean Burke:* Director. Retired. Elected on 11 April 2008. Member of Work, Health & Safety Committee. Resigned June 2018.
- Gary Thomson:* Director. Self Employed in Locksmith & Security Hardware Industry. Member of Audit & Risk Committee, Disciplinary Committee, Building Committee and Social Committee. Elected on 18 May 2008.
- Eric Hamilton* Director. Retired Publican. Elected September 2009. Member of Social Committee. Resigned April 2018.
- Robert Powell* Director. Retired. Board Member 2006 – 2008. Re-elected September 2008. Member of Policies Committee.
- Alfred Cooper* Director. Retired. Elected to the Board September 2015. Member of Audit & Risk Committee, Disciplinary Committee and Building Committee.

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**Directors' Report**

Directors have been in office since the start of the financial year unless otherwise stated.

**Directors: Attendance at Meetings**

Name	Monthly Board Meetings Attended/Monthly Meeting Held
Robert Henderson	11/12
Ian Chapman	12/12
Reg Richardson	11/12
Sean Burke	8/10
Eric Hamilton	8/8
George Markham	12/12
Bob Powell	12/12
Gary Thomson	10/12
Alfred Cooper	11/12

**Principal Activities**

The company's principal activities in the course of the financial year were that of a Licensed Bowling Club and to promote and conduct sporting activities for members and their guests.

No significant change in the nature of these activities occurred during the financial year.

**Short-term and Long-Term Objectives**

The company's Short term objectives:

- Maintain and grow profitability
- Foster and promote the sport of lawn bowls and other sports

The company's Long term objectives:

- Maintain and grow profitability
- To grow and improve the participation and standard of lawn bowls at the club and promote other sports within the community

**Strategies**

To achieve these through diversification the company has adopted the following strategies:

- Increase membership and grow the company's profitability
- Provide high standard facilities to members and guests

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**Directors' Report**

**Key Performance Measures**

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

Measures used by the company for its performance:

- Standard Club industry Key Performance Indicators including Gross Profit percentages, Wages percentages, EBIT and EBITDA etc.

**Operating Results**

The profit for the Company for the financial year amounted to \$552,513 (2017: \$421,148).

**Dividends**

Under the company's Constitution no dividend can be paid.

**Review Of Operations**

During the financial year the company continued its activities. The results of those operations were similar to results for the previous year, subject to normal market fluctuations.

**Gaming Trading Statement**

Net Clearances from Poker Machines for the year totalled \$6,611,915, a decrease of \$208,661 (3.1%) on the previous year. Direct Expenses for the 2018 year totalled \$3,281,951 which compares with 2017 year of \$3,545,139 a decrease of \$263,198 (7.4%). Net Profit totalled \$3,616,768 which compares with the 2017 year of \$3,569,261 an increase of \$47,507 (1.3%).

**Bar Trading Statement**

Turnover from Bar Trading for the year totalled \$4,475,850 compared with turnover for the previous year of \$4,604,536 a decrease of \$128,686 or 2.8%.

The Bar Trading Gross Profit of \$2,312,401 (51.7% of sales) is a decrease of \$33,462 (1.4 %) on the previous year. Net Profit totalled \$315,488 which compares with the 2017 year of \$441,933 a decrease of \$126,445 (28.6%).

**Bowls Operating Statement**

Income from bowls operations increased by \$33,565 (46.4%) to \$105,903 from \$72,338 in 2017. Expenses totalled \$427,960 (\$399,685 in 2017) an increase of \$28,275 (7.1%). The net loss from bowls operations was \$322,057 for the year compared to \$327,347 in 2017, a decrease of \$5,290 (1.6%).

**Directors' Report**

**Auditors Independence Declaration**

The lead auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 7 of the financial report.

**Membership**

As at 30 June 2018 there were 10,023 members of the Company.

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$4.00 each towards meeting any outstanding obligations of the company. As at 30 June 2018 the collective liability of members was \$40,092 (2017 \$54,616).

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



R Henderson  
Director/(Chairman)

Dated: *14 September, 2018*

**Ettalong Memorial Bowling Club Ltd**  
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**Auditors Independence Declaration**  
**Under Section 307C of the Corporations Act 2001**  
**To The Directors of Ettalong Memorial Bowling Club Limited**

As lead auditor for the audit of Ettalong Memorial Bowling Club Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

**FORTUNITY ASSURANCE**



T R Davidson

155 The Entrance Road  
ERINA NSW 2250

Dated: 14 September 2018

**Ettalong Memorial Bowling Club Ltd**  
**ABN 85 001 030 780**

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**Independent Audit Report To The Members of**  
**Ettalong Memorial Bowling Club Limited**

**Report on the Financial Report**

**Opinion**

We have audited the financial report of Ettalong Memorial Bowling Club Ltd (the company), which comprises the statement of financial position as at 30 June, 2018, the statement of profit or loss and other comprehensive income, statement of changes equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Ettalong Memorial Bowling Club Ltd 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, 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

**Basis of 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 Ettalong Memorial Bowling Club Ltd, 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**

Those charged with governance 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.



**Ettalong Memorial Bowling Club Ltd**  
**ABN 85 001 030 780**

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**Independent Audit Report To The Members  
Of Ettalong Memorial Bowling Club Ltd**

**Other Information (continued...)**

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 report.

**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 – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine as 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.

**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.

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.

**Ettalong Memorial Bowling Club Ltd**  
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**Independent Audit Report To The Members**  
**Of Ettalong Memorial Bowling Club Ltd**

**Auditor's Responsibilities for the Audit of the Financial Report (continued...)**

- 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 significant deficiencies in internal control that we identify during our audit.

**FORTUNITY ASSURANCE**



T R Davidson  
**Partner**

155 The Entrance Road  
ERINA NSW 2250

Dated: *14 September, 2018*

**Ettalong Memorial Bowling Club Ltd**  
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**Directors' Declaration**

In accordance with a resolution of the directors of Ettalong Beach Memorial Bowling Club Limited, the directors declare that:

1. The financial statements and the notes are in accordance with the Corporations Act 2001 and:
  - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
  - (b) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the company;
2. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



R Henderson  
Director/( Chairman)

Dated: *17 September, 2018*

**Ettalong Memorial Bowling Club Ltd**  
**ABN 85 001 030 780**

**Statement of Profit or Loss & Other Comprehensive Income**  
**For The Year Ended 30 June 2018**

	Note	2018 \$	2017 \$
Revenues	2	12,650,130	12,981,374
Consumables used - Cost of goods sold		(2,270,783)	(2,431,789)
Employee benefits expense	3	(3,208,318)	(3,352,861)
Depreciation and amortisation expense	3	(1,451,136)	(1,466,966)
Interest Expense		(190,057)	(170,849)
Power and Gas		(164,591)	(234,404)
Repairs and Maintenance		(318,452)	(368,540)
Other expenses		(4,702,720)	(4,534,817)
<b>Current year Surplus/(Deficit) before income tax</b>		<b>344,073</b>	<b>421,148</b>
Income tax expense	1(b)	-	-
<b>Net current year Surplus for the year</b>		<b>344,073</b>	<b>421,148</b>
<b>Other comprehensive income</b>			
Gain on revaluation of intangible assets		208,440	-
<b>Other comprehensive income for the year</b>		<b>208,440</b>	-
<b>Total comprehensive income for the year</b>		<b>552,513</b>	<b>421,148</b>

The accompanying notes form part of these financial statements.

**Ettalong Memorial Bowling Club Ltd**  
**ABN 85 001 030 780**

**Statement of Financial Position**  
**As At 30 June 2018**

	Note	2018 \$	2017 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	4	1,157,475	1,133,717
Trade & Other Debtors	5	61,729	155,613
Inventories	6	127,684	133,819
Other assets	7	279,924	279,234
<b>Total Current Assets</b>		<u>1,626,812</u>	<u>1,702,383</u>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	8	16,967,795	15,480,331
Intangible Assets	9	538,722	353,442
<b>Total Non-Current Assets</b>		<u>17,506,517</u>	<u>15,833,773</u>
<b>Total Assets</b>		<u>19,133,329</u>	<u>17,536,156</u>
<b>Current Liabilities</b>			
Trade & Other Payables	10	1,214,996	991,317
Borrowings	11	978,927	393,185
Employee Benefits	12	429,194	425,831
Other	13	51,785	35,905
<b>Total Current Liabilities</b>		<u>2,674,902</u>	<u>1,846,238</u>
<b>Non-Current Liabilities</b>			
Borrowings	11	4,028,195	3,819,836
Employee Benefits	12	62,353	54,716
		<u>4,090,548</u>	<u>3,874,552</u>
<b>Total Liabilities</b>		<u>6,765,450</u>	<u>5,720,790</u>
<b>Net Assets</b>		<u>12,367,879</u>	<u>11,815,366</u>
<b>Equity</b>			
Retained surplus		12,331,879	11,779,366
Asset Revaluation Reserve	23	36,000	36,000
<b>Total Equity</b>		<u>12,367,879</u>	<u>11,815,366</u>

The accompanying notes form part of these financial statements.

**Ettalong Memorial Bowling Club Ltd**  
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**Statement of Changes in Equity**  
**For the Year Ended 30 June 2018**

	<b>Retained Earnings</b>	<b>Asset Revaluation Reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2016	11,358,218	36,000	11,394,218
Total comprehensive income for the year	421,148	-	421,148
Balance at 30 June 2017	<u>11,779,366</u>	<u>36,000</u>	<u>11,815,366</u>
Total comprehensive income for the year	552,513	-	552,513
Balance at 30 June 2018	<u>12,331,879</u>	<u>36,000</u>	<u>12,367,879</u>

The accompanying notes form part of these financial statements.

**Ettalong Memorial Bowling Club Ltd**  
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**Statement of Cash Flows**  
**For The Financial Year Ended 30 June 2018**

	Note	2018 \$	2017 \$
<b>Cash flows from Operating Activities</b>			
Receipts from members, guests & visitors		12,734,856	13,022,176
Payments to suppliers and employees		(10,286,341)	(10,852,673)
Interest received		9,158	616
Finance costs - Interest Paid		(190,057)	(170,849)
Net cash generated from operating activities 20(b)		2,267,616	1,999,270
<b>Cash Flow from Investing Activities</b>			
Proceeds from sale of property, plant & equipment		73,586	51,272
Payments for property, plant & equipment		(3,111,545)	(1,250,291)
Net cash used in investing activities		(3,037,959)	(1,199,019)
<b>Cash Flows from Financing Activities</b>			
Repayments of borrowings		(982,574)	(741,622)
Increase in borrowings		1,776,675	576,121
Net cash used in financing activities		794,101	(165,501)
<b>Net increase/(decrease) in cash held</b>		23,758	634,750
Cash and cash equivalents at the beginning of the financial year		1,133,717	498,967
<b>Cash and cash equivalents at the end of the financial year</b>	20(a)	1,157,475	1,133,717

The accompanying notes form part of these financial statements

**Ettalong Memorial Bowling Club Ltd**  
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**Notes to the Financial Statements**  
**Year Ended 30 June 2018**

The financial statements cover Ettalong Memorial Bowling Club Limited, an individual entity, incorporated and domiciled in Australia. Ettalong Memorial Bowling Club Limited is a company limited by guarantee.

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

**Basis of Preparation**

Ettalong Memorial Bowling Club Limited has elected to early adopt 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 (AASB) and the Corporations Act 2001. The company is a not-for-profit entity 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 14 September 2018 by the directors of the company.

**Accounting Policies**

(a) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to members, guests etc.

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

All revenue from the rendering of a service and/or goods is recognised upon receipt of the service and/or goods by customers and members.

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



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**Notes to the Financial Statements**  
**For The Financial Year Ended 30 June 2018**

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

(b) Income Tax

Under present legislation income derived by the Company is not assessable to income tax as per an exemption granted by the Australian Taxation Office under Division 50 of the Income Tax Assessment Act 1997. The Club has been granted an exemption from income tax for the period 1 July, 2017 to 30 June, 2026. An application for a Private Ruling seeking a further exemption from income tax has been prepared and lodged by the club with the Australian Taxation Office.

(c) Inventories

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

(d) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's lengths transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit and loss.

As the revalued buildings are depreciated the difference between depreciation recognised in the Statement of Comprehensive Income, which is based on the revalued carrying amount of the asset, and the depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

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

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**Notes to the Financial Statements**  
**For The Financial Year Ended 30 June 2018**

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

(d) Property, Plant and Equipment (cont'd)

**Plant and Equipment**

Plant and equipment are measured on the costs basis and therefore carried at cost less accumulated depreciation and any accumulated impairment.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1 (l) for details of impairment).

Plant and equipment that have been contributed at no cost or for nominal cost are valued and recognised at their 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, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 group 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.

**Depreciation**

Depreciation is calculated on a basis so as to write off the net cost of each fixed asset other than freehold land during its expected useful life. Additions are depreciated from the date of acquisition.

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2.5%
Bowling Greens	2.5%
Plant and equipment	5-30%
Poker Machines	20-27%

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

Asset classes 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 or losses are included in the statement of comprehensive income.

When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**Ettalong Memorial Bowling Club Ltd**  
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**Notes to the Financial Statements**  
**For The Financial Year Ended 30 June 2018**

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

(e) Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the economic entity, are classified as finance leases.

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

Leased assets are depreciated on a straight line basis over 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.

(iii) Other Property, Plant and Equipment

Other property, plant and equipment is recorded at its original cost or fair value less, where applicable any accumulated depreciation or amortisation. The carrying amount of this property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

(f) 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 outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee provisions.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

(g) Members' subscriptions received in advance

Amounts received from members in respect of subscriptions for 2018/2019 are shown in the Note 13: Other Liabilities – Current - as Members Subscriptions received in Advance.

**Ettalong Memorial Bowling Club Ltd**  
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**Notes to the Financial Statements**  
**For The Financial Year Ended 30 June 2018**

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

(h) Cash & 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.

(i) Trade & Other Debtors

Trade and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Trade and other debtors expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other trade and other debtors are classified as non-current assets. All other receivables are classified as non-current assets

(j) Goods & 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 Taxation 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 are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the statement of financial position.

(k) Investments

Investments are measured on the cost basis. The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

(l) 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 assets fair value less costs to sell and value in use, to the assets carrying amount. An 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 in accordance with another standard (e.g. 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.

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**Notes to the Financial Statements**  
**For The Financial Year Ended 30 June 2018**

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

(l) Impairment of Assets (cont'd)

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.

(m) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probably that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting period.

(n) Government Grants

Government Grants that have been received whose primary condition is that the company should purchase long-term assets are accounted for by recognising the grant in the Statement of Financial Position as deferred income and then, the income is taken up over the periods necessary to match it with the related costs which they are intended to compensate, on a systematic basis i.e. The grants related to the depreciable assets are recognised as income over the periods and in the proportions in which depreciation on those assets is charged.

(o) Comparative Figures

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

(p) Financial Instruments

Recognition

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 cost which includes transaction costs when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Available-for-sale financial assets

Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

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**Notes to the Financial Statements**  
**For The Financial Year Ended 30 June 2018**

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

(q) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements 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 within the company.

(r) Trade & Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

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**Notes to the Financial Statements**  
**For The Financial Year Ended 30 June 2018**

	2018	2017
	\$	\$
<b>Note 2. Revenue and Other Income</b>		
Sales Revenue:		
Poker Machine Takings – net clearances	6,611,915	6,820,576
Sales of goods – Bar Sales	4,475,850	4,604,536
Greens Fees and Other Income	105,903	72,338
Sales of goods – Catering Sales	199,470	324,931
Entertainment - Income	266,340	272,388
	11,659,478	12,094,769
Other Revenue:		
Commissions Received – TAB	84,541	88,047
Commissions Received – Keno	202,263	205,777
Interest - Received	9,158	616
Commissions Received – Other	168,617	176,940
Sundry Income	297,858	177,978
Members Subscriptions	55,352	69,361
	817,789	718,719
Other Income:		
Rent Received	172,863	167,886
	172,863	167,886
<b>Total Revenue and Other Income</b>	<b>12,650,130</b>	<b>12,981,374</b>

**Ettalong Memorial Bowling Club Ltd**  
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**Notes to the Financial Statements**  
**For The Financial Year Ended 30 June 2018**

	2018 \$	2017 \$
<b>Note 3. Profit for the Year</b>		
<b>(a) Expenses</b>		
Depreciation:		
- buildings and plant & equipment	692,745	653,988
- poker machines & other gaming equipment	758,391	812,798
Total Depreciation	1,451,136	1,466,966
Net loss on disposal of non-current assets:		
- property, plant and equipment	122,517	-
Employee Benefits Expense	3,208,318	3,352,861
 <b>(b) Significant Revenue and Expenses</b>		
Net gain (loss) on disposal of non-current assets:		
Property, plant and equipment		
Proceeds on disposal	73,586	51,272
Disposals at carrying value	(196,103)	(109,762)
Net gain (loss) on disposals	(122,517)	(58,490)
 <b>Note 4. Cash &amp; Cash Equivalents</b>		
Current :		
Cash at Bank	882,475	858,717
Cash on Hand	270,000	270,000
Term Deposits	5,000	5,000
	1,157,475	1,133,717



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**Notes to the Financial Statements**  
**For The Financial Year Ended 30 June 2018**

	2018	2017
	\$	\$
<b>Note 5. Trade &amp; Other Debtors</b>		
Current:		
Other Debtors	61,729	155,613
	<u>61,729</u>	<u>155,613</u>
<b>Note 6. Inventories</b>		
Current:		
At Cost:		
Bar Stock	109,317	112,977
Promotions	3,160	2,391
Bowls Clothing	9,327	7,586
Coffee Shop Stock	-	5,398
Uniforms	5,880	5,467
	<u>127,684</u>	<u>133,819</u>
<b>Note 7. Other Current Assets</b>		
Prepayments	279,924	279,234
	<u>279,924</u>	<u>279,234</u>

**Ettalong Memorial Bowling Club Ltd**  
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**Notes to the Financial Statements**  
**For The Financial Year Ended 30 June 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Note 8. Property, Plant &amp; Equipment</b>		
Land ⊗		
- at cost	1,526,662	899,355
Buildings ⊗		
- at cost	13,877,514	12,773,409
Less Accumulated Depreciation	(4,821,734)	(4,447,883)
	9,055,780	8,325,526
Bowling Greens ⊗		
- at Directors Valuation	102,828	102,828
Less Accumulated Amortisation	(68,212)	(65,641)
	34,616	37,187
Landscaping – at cost ⊗	38,602	38,602
Less Accumulated Depreciation	(34,794)	(33,210)
	3,808	5,392
Investment Properties #		
- at cost	2,485,229	2,465,229
Total Land and Buildings	13,106,095	11,732,689
Plant and Equipment		
- at cost	4,049,635	3,969,983
Less Accumulated Depreciation	(2,612,366)	(2,347,806)
	1,437,269	1,622,177
Poker Machines		
- at cost	6,084,651	5,807,403
Less Accumulated Depreciation	(3,777,281)	(3,829,150)
	2,307,370	1,978,253
Total Plant and Equipment	3,744,639	3,600,430
⊗ Core Property		
# Non-Core Property		

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**Notes to the Financial Statements**  
**For The Financial Year Ended 30 June 2018**

	2018 \$	2017 \$
<b>Note 8. Property, Plant &amp; Equipment (cont'd)</b>		
Motor Vehicles – at cost	191,937	191,937
Accumulated Depreciation	(74,876)	(44,725)
Total Motor Vehicles	117,061	147,212
Total Property, Plant and Equipment	16,967,795	15,480,331

As per Section S41 j(3) of the Registered Clubs Act the Board of Directors of Ettalong Memorial Bowling Club Limited declare that as of 30 June 2018 the Club owned the following property assets classified as below.

Current use	Classification
Main Club – Land & Buildings	Core
Bowling Greens	Core
Rental Properties	Non-Core

**Movements in Carrying Accounts**

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

	Land & Buildings \$	Plant & Equipment & Motor Vehicles \$	Poker Machines \$	Total \$
<b>2016</b>				
Balance at the beginning of the year	11,732,689	1,769,389	1,978,253	15,480,331
Additions at cost	1,751,339	105,460	1,254,746	3,111,545
Disposals & Transfers	-	(2,361)	(193,744)	(196,105)
Depreciation expense	(377,933)	(318,158)	(731,885)	(1,427,976)
Carrying amount at end of year	13,106,095	1,554,330	2,307,370	16,967,795

**Ettalong Memorial Bowling Club Ltd**  
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**Notes to the Financial Statements**  
**For The Financial Year Ended 30 June 2018**

	2018 \$	2017 \$
<b>Note 9. Intangible Assets</b>		
Poker Machine Entitlements		
Balance at the beginning of the year	353,442	183,974
Additions	-	169,468
Disposals	-	-
Impairment gains	208,440	-
Depreciation	(23,160)	-
	538,722	353,442
<b>Note 10. Trade &amp; Other Payables</b>		
Current:		
Unsecured Liabilities		
Trade payables	469,274	370,903
Accruals	402,378	484,941
Other creditors	343,344	135,473
	1,214,996	991,317
<b>Note 11. Borrowings</b>		
Current:		
Secured		
Hire Purchase Liabilities (ii)	358,927	241,331
Bank Loan (i)	620,000	-
Other Loans (ii)	-	151,854
	978,927	393,185
Non-Current:		
Secured		
Hire Purchase Liabilities (ii)	262,677	9,779
Bank Loan (i)	3,765,518	3,746,250
Other Loans (ii)	-	63,807
	4,028,195	3,819,836
<b>Total Borrowings</b>	<b>5,007,122</b>	<b>4,213,021</b>

**Ettalong Memorial Bowling Club Ltd**  
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**Notes to the Financial Statements**  
**For The Financial Year Ended 30 June 2018**

**Note 11. Borrowings (cont'd)**

- (i) Secured by a registered first mortgage over the Company's Land & Buildings including the liquor licence etc.
- (ii) Effectively secured over the assets involved.

	2018 \$	2017 \$
<b>Note 12. Employee Benefits</b>		
Current:		
Annual Leave	239,209	248,209
Long Service Leave	189,985	177,622
	<u>429,194</u>	<u>425,831</u>
Non-Current:		
Long Service Leave	62,353	54,716
	<u>62,353</u>	<u>54,716</u>
<b>Total Employee Benefits</b>	<u>491,547</u>	<u>480,547</u>

**Note 13. Other Liabilities**

Current:		
Members Subscriptions Received in Advance	51,785	35,905
	<u>51,785</u>	<u>35,905</u>

**Ettalong Memorial Bowling Club Ltd**  
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**Notes to the Financial Statements**  
**For The Financial Year Ended 30 June 2018**

**Note 14. Remuneration and Benefits of Directors and Executive Officers**

**(a) Directors Remuneration**

The names of the directors who held office during the financial year are:

R Henderson S Burke	I Chapman G Thomson	R Richardson E Hamilton	W Markham R Powell	A Cooper
			<b>2018</b> \$	<b>2017</b> \$
Honorariums			51,070	49,000

**(b) Key Management Personnel Compensation**

Total remuneration received or due and receivable by key management of the company for management of the affairs of the company.

	\$
<b>2018</b> Total Compensation (2 employees)	281,737
<b>2017</b> Total Compensation (2 employees)	303,147

**Ettalong Memorial Bowling Club Ltd**  
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**Notes to the Financial Statements**  
**For The Financial Year Ended 30 June 2018**

**Note 15. Related Party Transactions**

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

- (a) **Identities of Related Parties**  
 During the financial year certain transactions were made with the company's directors as set out in (b) below.
- (b) **Transactions with Related Parties**  
 - *Directors*

<b>Type of Transaction</b>	<b>Terms and Conditions of Transaction</b>	<b>Class of Related Party</b>	<b>Related Party</b>	<b>Amount 2018</b>	<b>Amount 2017</b>
				<b>\$</b>	<b>\$</b>
Education & Training etc	Provided free of Charge	Director Related Entities	Directors	1,577	9,255
Goods & Services	Normal commercial Terms	Director Related Entities	Directors	7,468	8,667

- (c) The directors also purchased goods and services from the company on the same terms and conditions available to the company's employees, members and guests.

**Note 16. Financial Risk Management**

	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>			
Cash on Hand	4	1,157,475	1,133,717
Trade and Other Debtors	5	61,729	155,613
<b>Total Financial Assets</b>		1,219,204	1,289,330
<b>Financial Liabilities</b>			
Trade and Other Payables	10	1,214,998	991,317
Borrowings	11	5,007,122	4,213,021
<b>Total Financial Liabilities</b>		6,222,120	5,204,338

The company does not have any derivative instruments at 30 June 2018.

**Ettalong Memorial Bowling Club Ltd**  
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**Notes to the Financial Statements**  
**For The Financial Year Ended 30 June 2018**

**Note 17. Company Details**

The registered office of the Company is:

Ettalong Memorial Bowling Club Limited  
103 Springwood Street  
ETTALONG NSW 2257

The principal place of business is:

Ettalong Memorial Bowling Club Limited  
103 Springwood Street  
ETTALONG NSW 2257

**Note 18. Members Guarantee**

The company is limited by guarantee. In accordance with the conditions in the Constitution, the liability of members in the event of the Club being wound up would not exceed one year membership fees per member (\$4.00) towards meeting any outstanding and obligations of the company.

**Note 19. Financial Reporting by Segments**

The company operates in one industry. The principal activity of the Company is that of providing bowling club facilities for its members. The Company operates predominantly in one geographical area, being Ettalong, New South Wales.

**Note 20. Cash Flow Information**

**(a) Reconciliation of Cash**

For the purposes of the cash flow statement, cash includes cash on hand and in banks and investments in money market instruments net of outstanding bank overdraft. Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Cash & cash equivalents	1,157,475	1,133,717
	<u>1,157,475</u>	<u>1,133,717</u>



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**Notes to the Financial Statements**  
**For The Financial Year Ended 30 June 2018**

Note	2018 \$	2017 \$
<b>Note 20. Cash Flow Information (cont'd)</b>		
<b>(b) Reconciliation of Cash Flow from Operations with Current Year Surplus after Income Tax.</b>		
Profit/(Loss) from after income tax	344,073	421,148
Depreciation and amortisation of non-current assets	1,451,136	1,466,966
Net profit on disposal of Property, Plant & Equipment	-	-
Net loss on disposal of property, Plant and Equipment	122,517	58,490
<b>Changes in net assets and liabilities:</b>		
Decrease/(Increase) in receivables	93,884	41,418
Decrease/(Increase) in inventories	6,135	2,021
Decrease/(Increase) in other assets	(690)	(33,247)
Increase/(Decrease) in trade & other payables	223,681	40,280
Increase/(Decrease) in other liabilities – (current)	15,880	(5,513)
Increase/(Decrease) in Provision for Employee benefits – (current)	3,363	26,181
Increase/(Decrease) in Provisions for Employee benefits – (non-current)	7,637	(18,474)
Cash flows provided by operating activities	2,267,616	1,999,270
<b>Note 21. Contingent Liability</b>		
Bank Guarantee		
The Company has obtained a Bank Guarantee in relation to the following : NSW TAB	5,000	5,000
	5,000	5,000
<b>Note 22. Capital Commitments</b>		
Renovations/improvements to Clubhouse	-	1,290,000
Less paid to date	-	(287,500)
	-	1,002,500
Gaming system	-	517,407

The Club has obtained finance for the commitments secured over the rental properties.

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**Notes to the Financial Statements**  
**For The Financial Year Ended 30 June 2018**

	Note	2018 \$	2017 \$
<b>Note 23. Reserves</b>			
Asset Revaluation Reserve at the beginning of the year		36,000	36,000
Net movement for the year		-	-
Asset Revaluation Reserve at the end of the year		<u>36,000</u>	<u>36,000</u>