

WARRINGAH BOWLING CLUB LTD

2017 ANNUAL REPORT

WARRINGAH BOWLING CLUB LIMITED
A.B.N. 85 000 014 219

Chairman's Report

Dear Members,

I am proud to present to you the Club's 115th Annual Report.

It is a pleasure to report that our plans to successfully meet the present day challenges for survival faced by many traditional Bowling Clubs are now underway. This has been achieved due to the expert dedicated management of our Secretary Manager, Alex Sangkuhl, working with a forward thinking & stable Board, focused on preparing the club for the future. Your Board believes that there is a place for a diversified member's sporting organisation in our beautiful enclave.

After a year of planning and negotiations, we are now at a stage where we have submitted a Development Application to Council. Detailed plans and costings of the first stage of future planning will be on display in the clubhouse for the AGM. With some certainty provided by putting this future direction in place, we have been able to adopt an aggressive short term marketing strategy, prepared by management, in order to increase awareness of the club as much as possible heading towards our club for the future. Copies of this plan are available on the member information desk.

It has been a pleasure chairing a harmonious Board focussed on the club's future, I extend my gratitude to my fellow Directors.

I would also like to thank the staff for their efforts, in an often challenging work environment. I'd like to ask members to bear in mind that due to the current constraints of our clubhouse, staff members are often working alone, performing tasks usually allocated to several staff members. Our future plans have definitely addressed this.

This year your Board will be hosting a Chairman's lunch following the A.G M. I encourage our Bowling & Social members to attend the gathering.

Ann Dooley OAM

Chairman

Treasurer's Report 2017

Looking back over the 5 years since Alex Sangkuhl joined our Club as Secretary/Manager the income has grown by an average of \$93K per year. This is largely due to the growth in Functions and Catering income a source that only began in 2013 and has grown to almost 25% of our income and can be expected to exceed \$250K this financial year.

Poker machine revenue has grown by an average of \$7K per year off a very low base, yet these are the source of funds for our major competitors the two hotels and the RSL club, all whom have gaming rooms that allow smoking; which we don't at this stage. Our annual growth in turnover is what they can take in a good week, and thus the low food and drinks prices they charge. So we seem to be forever running at near break even, with some years a small profit or a loss.

In spite of this, over the 5 years the Club has been transformed with a magnificent Function Room, a new Gaming Room with newer machines; a refurbished Pool Room downstairs near the renewed Men's and Women's Locker Rooms. In a brilliant design job, furniture has been chosen that lifts, lightens and modernises our Club to cover all areas of the main bar, function room, outside the clubhouse and for the number two green with each set matching. In reserve there are collapsing tables to accommodate up to 120 people for a function with matching function room chairs.

To continue to build on the success to date and begin to show sustainable profits we need to erect a smoking lounge/gaming room when we get DA approval probably not until sometime in 2018. This will generate more income from the many functions that chose our Club, with an indoor smoking lounge adding to the desirability of that choice.

However as the club lost all momentum for 2 years prior to current Board being elected with disruptive forces on the Board after 2 years of projects including the gaming room, poolroom, ladies bathrooms and function rooms. It then took 2 years of discussion just to allocate \$20k for exploratory work. The current Board has achieved a lot to get to this stage in 12 months. The plans and budgets should be put on display before and during the AGM for all members to see once the DA has been lodged.

The Board resolved that the work subject to a DA approved in 2014 in anticipation of the ban on smoking be commenced in January. These works had been held up by the two years of stagnation. The terrace adjacent to green 1 will have to be non-smoking in 2018. Thus smokers would be faced with nowhere to go unless the lower green BBQ area is built. Terrace works can be carried out in January whilst quiet and the club can trade out of the function bar. Awning works can be completed April May in time for winter when s.96 is approved. Bowls pavilion can be constructed at the same time and used by smokers as the weather changes. The pavilion could then be used as an additional all weather function space and for all corporate bowls events and help generate financial return if smoking DA is knocked back. We hope that the bowls pavilion on the lower green can be financed through a combination of internal cash flow and issuing more Unsecured Notes to club members in a limited fund raising. Some members have already indicated their willingness to participate.

So it is that we can look forward to continue to improve and grow the Club as we move to the next stage of implementing the Strategic Plan.

Peter Read

Treasurer

Mens President's Report

It has been a positive year for Men's bowls at Warringah. After finishing 2nd in grade 7 of the 2016 Pennants competition, we applied to be advanced to grade 6. We managed to come 2nd in grade 6 in our first year, with the side winning our division eventually winning the state flag. We have 6 new players in our pennants squad for 2018, we're looking forward to ongoing success.

Thanks to the hard work of Russell Tuckwell, our Bowls Secretary, Club Championship play is well underway. Rusty's relentless text messages have resulted in the renewal of Tuesday afternoon men's bowls, as well as encouraging Saturday turnouts. Thank you also to Rusty for being our Zone representative, this is a tedious and thankless job !

Externally, we competed in, and won, the Harkness Trophy at Mosman. We also competed in the Roseville Shield and the Peter Russell Memorial at Neutral Bay. We are looking to compete in as many external competitions as possible this year.

We have secured new uniform sponsors, Geoff Grist - Richardson & Wrench Mosman, 2020 Dry Cleaners Mosman, Flight Centre Bridgepoint, Estate Wines, Hotel Mosman & Advanced Press. Each of these businesses have contributed \$1000 each towards our 2018 campaign, new uniforms for our bowlers will be arriving shortly.

As always, it is vital that we continue to encourage new members to play, if you know anyone who is interested in having a go, bring them to the club !

Greg Cutler

President

WWBC President's Report

Well another year as Club President and it has been a good one.

Warringah again got into the playoffs for grade 3Pennants in conjunction with Roseville.

We hosted some district games at the club again this year which went off well, and the Warringah Trophy day went down very well with 2 full greens.

Saturday social bowls is still going well and being enjoyed by all who play.

We have also finished the majority of club championship games only one outstanding which will be played in August.

Also our social involvement with the Warringah Bowling Club is still going well with the following activities, Bridge Monday and Thursday's and Mahjong is still going strong on a Wednesday afternoon after social bowls and last but not least our Christmas Party.

The club is now looking forward to another good season.

Club Championship results for 2016-2017

Club Major Singles	Hazel Hoyle
Club Minor Singles	Peta Neil
Club Pairs	J Le Gras, J Mountain
Club Triples	H Hoyle, S Miller, J Mountain
Club Fours	R Eldershaw, M Lambert, J Le Gras, J Mountain – 2016 F Wilson, S Miller, W Town, H Hoyle - 2017
Consistency	J Fischer

Janine Mountain

President

Secretary Manager's Report

Dear Members, being my fifth Annual Report, I'd like to give you a brief overview of the last five years at Warringah Bowls Mosman.

I arrived at a club that had very little in the way of any systems or processes, lacked any real legislative compliance, and was physically run down to a state of disrepair. In fact, it probably took me 3 months of walking through the front door before I was able to avoid remarking at how run down and dated the clubhouse looked. It was no surprise that the clubhouse facility was sparsely utilised.

The board at the time understood the need to improve all aspects of the club's operation, however were keen to continue to run the club primarily as a bowling club. To that end I designed a 3 year strategic business plan for the Board, in order to generate increased clubhouse revenues to support the club's core bowling activities.

During those first 3 years we were able to make some significant improvements including a permanent solution to the downstairs flooding issue, refurbishment of the ladies locker and bathrooms, building a new bar and refurbishment of the function room, rebuilding and upgrades to the gaming room and outdoor furnishings.

We were also able to install a professional set of processes and compliance systems so I can assure the board and members that the club is administered in a very smooth and organised manner.

We were able to double non-childcare centre revenues and made significant gains in catering and poker machine revenue. However, what became apparent was that running the club as a traditional bowling club in a modern, highly regulated era, is simply no longer viable in the inner city.

The simple facts are that the clubhouse is dated and uncompetitive, the kitchen was designed for volunteers to prepare scones and tea, the gaming installation is too small and outdated and the family friendly space available is limited. All of this at a time when competition has significantly increased, unavoidable costs such as utilities, insurance & regulatory costs continue to skyrocket, rents and mortgages are crazy and real incomes are stagnant. Our major competitive downfall is that we do not have the facility to generate any real gaming income. Our ability to continue to generate a cash surplus, given these factors, is impressive.

To address these issues, I presented a multi-tiered future strategic vision to the then board in February 2016. The plan involved two stages of club re-development over a ten year period, with the ultimate aim being better utilisation of the club's assets, and securing third party income streams to guarantee the club's future, whilst concurrently expanding our sporting offering, further engaging community organisations, and broadening the club's greater appeal. I am happy to email a copy of this plan to any interested members.

It became quickly evident that some members of the board at that time were reluctant to believe that the club should diversify and expand into the future, and as such it took over 12 months to gain approval to raise a small amount of funds for conceptual design work. Working with our architects, engineers and council planners, it was agreed that it would be easier to break the first stage into two parts. I am happy to inform members that these designs and associated costings will be on display in time for the 2017 AGM. Better yet, the first stage of works has approved to commence in January 2018.

I hope all members have enjoyed the ongoing improvements to the club facilities, and have enjoyed seeing the multitude of new activities taking place in the club over the past 5 years. I am proud to inform you that our membership has grown from 233 in 2012 to 1171 in 2017. Bowling membership too has remained constant, if not mildly improved, at a time where most bowling clubs are struggling to renew members, our coaches and committees have done a fantastic job and are now enjoying the successes of their hard work.

I look forward to bringing you an even better club in 2018.

Alex Sangkuhl

Secretary Manager

WARRINGAH BOWLING CLUB LIMITED

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NOTICE OF 115TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY given that the one hundred and fifteenth Annual General Meeting of the Warringah Bowling Club Ltd will be held in the clubhouse, 74-82 Bradleys Head Road, Mosman at 10am, Sunday 26th November 2017

BUSINESS

- 1 Attendance - Establishment of a Quorum of 20 full members.
- 2 Apologies.
- 3 To confirm the minutes of the previous Annual General Meeting held on Sunday 13th November 2016
- 4 Business arising from the minutes.
- 5 To receive and consider the Statement of Financial Position, Profit & Loss Account and the reports of the Chairman & Treasurer.

Copies of the 2017 Annual Report will be on the club website or available by request to the Secretary Manager on or after the 2nd November 2017

- 6 To deal with any other business of which due notice has been given. All business and notices of motion to be dealt with at the Annual General Meeting shall be in writing and must be received by the Secretary Manager no later than 28 days prior to the date of the Annual General Meeting.
- 7 To declare the results of the election of the Chairman and up to eight other directors for the ensuing year and, if necessary, to elect further directors.

By Order of the Board

Alex Sangkuhl

Secretary Manager

Dated at Mosman this 9th Day of October 2017

WARRINGAH BOWLING CLUB LIMITED

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DIRECTORS' REPORT

Your Directors are pleased to submit for approval the financial report of the Club for the year ended 30 June 2017.

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

A. Dooley OAM
G. Cutter
G. Watson
G. Johnson
J. LeGras
J. Mountain
P. Read
M. Crosbie
A. Cutugno
J. Dansie

2 The principal activity of the Company during the financial year was the promotion and conduct of the game of Lawn Bowls.

3 Short Term and Long-term Objectives

The Club aims to provide an exceptional experience for members and guests in a welcoming and progressive environment. To achieve this objective the Board seeks to consolidate the Club's financial position by planning for current revenues to fund current operational needs and to contribute to future capital expenditure requirements for enhancement of our bowling and clubhouse facilities.

4 Strategies

The Board has endorsed and regularly reviews its Strategic Business Plan for the achievement of short and long term objectives including:

- 4.1 Promoting participation in the game of lawn bowls through promotions, members events and creating an active social calendar to attract new members
- 4.2 Establishing a profitable catering & bistro operation
- 4.3 Establishing a reliable revenue stream from gaming activities
- 4.4 Creating a modern, comfortable & well serviced bar & lounge facility
- 4.5 Streamlined administration and effective communication with members.
- 4.6 Building the club's profile in the local area through events in conjunction with local community organisations

5 Key Performance Measures

The Board has established planning and budget protocols consistent with maintaining control over the club's operations and financial performance.

Significant business initiatives and expenditure are approved by the Board, or appropriate delegate.

All unplanned business outcomes, performance variances, and adverse circumstances (including weather events) are reviewed by management and the Board with a view to managing responses to protect and optimize the performance of the club.

Annual audited financial reports for the following year are reported to members at the AGM. Additional business and operational related reports are provided to members on a periodic basis during the year.

WARRINGAH BOWLING CLUB LIMITED**A.B.N. 85 000 014 219****DIRECTORS' REPORT****6. Additional information regarding Directors**

CURRENT DIRECTORS	EXPERIENCE & QUALIFICATIONS	POSITION	BOARD MEETINGS A/B
Ann Dooley OAM	4 Years on the Board 2 Years as Women's Past President	Chairman	9/11
Janine Mountain	2 Year on the Board Retired Manager 2 Years Womens President	Women's President	10/11
Greg Cutler	1 Year on the Board Carpenter	Men's President (appointed 13/11/16)	3/7
Graham Walton	1 Year on the Board Company Director	Director (appointed 13/11/16)	7/7
Peter Read	1 Years on the Board Past Chairman Past Treasurer Retired Company Director	Treasurer (appointed 13/11/16)	5/7
Graham Johnson	2 Year on the Board Sales Executive	Director	11/11
Judy LeGras	2 Year on the Board Travel Agent	Director	8/11

A - Number of meetings attended

B - Number of meetings eligible to attend

WARRINGAH BOWLING CLUB LIMITED

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DIRECTORS' REPORT

6. Additional information regarding Directors

Retired Directors	EXPERIENCE & QUALIFICATIONS	POSITION	BOARD MEETINGS A/B
Arron Cutugno	1 Year on the Board Train Driver	Men's President	1/4
Michael Crosbie	2 Years on the Board Retired Newspaper General Manager	Social Director	4/4
John Dansie	3 Years on the Board 3 Year Men's Past President Greens & Grounds Committee Foundation Committee Treasurer - Diggers Section Retired Surveyor	Director	3/4

A - Number of meetings attended

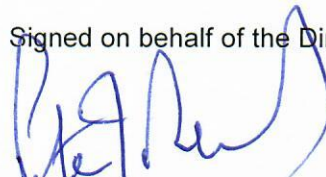
B - Number of meetings eligible to attend

- 7 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 \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2017, the total amount that members of the company are liable to contribute if the company is wound up is \$11,710 (2016: \$7,890).


Auditor's Independence Declaration

- 8 The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 5 of the financial report.

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



Peter Read
Director



Graham Johnson
Director

Signed at Mosman, dated 11th October, 2017

WARRINGAH BOWLING CLUB LIMITED
A.B.N. 85 000 014 219

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF WARRINGAH 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.

Name of Firm:


ROBERTS NISSEN

Name of Partner:


P M MELDRUM

Date:

 October, 2017

Address:

Suite 2, Level 3, 121 Walker St, North Sydney

WARRINGAH BOWLING CLUB LIMITED
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Statement of Profit or Loss for the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
Revenue			
Sales Revenue	2	575,189	490,308
Cost of Sales	3	(241,048)	(228,467)
Gross Profit		334,141	261,841
Other Income	2	403,780	427,864
Expenses			
Administration Expenses	3	(67,257)	(68,438)
Employee benefits Expenses	3	(391,038)	(345,860)
Depreciation & Amortisation	4	(73,170)	(64,601)
Bowls Related Expenses	3	(85,051)	(89,677)
Repairs & Maintenance	3	(29,726)	(18,677)
Operational Expenses	3	(89,113)	(81,272)
Interest Expense	3	(16,040)	(14,995)
Other Expenses	3	(2,595)	(1,404)
Current Year Surplus/(Deficit) from Ordinary Activities		(16,069)	4,781
Impairment of Assets	9	-	-
Current Year Surplus/(Deficit) before Income Tax		(16,069)	4,781
Income Tax expense		-	-
Net Current Year Profit (Loss) attributable to members of the entity		(16,069)	4,781

The accompanying notes form part of these financial statements.

WARRINGAH BOWLING CLUB LIMITED
A.B.N. 85 000 014 219

Statement of Comprehensive Income for the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
Net Current Year Surplus (Deficit)		(16,069)	4,781
Net gain on revaluation of non-current assets		-	-
Prior period adjustment		(5,545)	-
Total comprehensive Income for the year, attributable to members of the Club		<u>(21,614)</u>	<u>4,781</u>

The accompanying notes form part of these financial statements.

WARRINGAH BOWLING CLUB LIMITED
A.B.N. 85 000 014 219

Statement of Financial Position as at 30 June 2017

	Note	2017 \$	2016 \$
<u>ASSETS</u>			
Current Assets			
Cash	6	89,849	69,541
Receivables	7	6,862	19,412
Inventories	8	29,183	23,316
Prepayments	7a	5,520	5,009
Total current Assets		<u>131,414</u>	<u>117,278</u>
Non Current Assets			
Property, Plant & Equipment	9	4,100,691	4,117,938
Total Non Current Assets		<u>4,100,691</u>	<u>4,117,938</u>
Total Assets		<u>4,232,105</u>	<u>4,235,216</u>
<u>LIABILITIES</u>			
Current Liabilities			
Trade & Other Payables	10	62,951	44,612
Tax Liabilities	12	25,654	22,267
Short Term Provisions	13	1,893	1,039
Other	14	2,332	6,409
Total Current Liabilities		<u>92,830</u>	<u>74,327</u>
Non Current Liabilities	11	260,000	260,000
Total Liabilities		<u>352,830</u>	<u>334,327</u>
Net Assets		<u>3,879,275</u>	<u>3,900,889</u>
ACCUMULATED FUNDS AND RESERVES			
Retained Profits		399,348	420,962
Reserves		3,479,927	3,479,927
Total Equity		<u>3,879,275</u>	<u>3,900,889</u>

The accompanying notes form part of these financial statements.

WARRINGAH BOWLING CLUB LIMITED
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Statement of Changes in Equity as at 30 June, 2017

	Accumulated Funds	Asset Revaluation Reserve
	\$	\$
Balance at July 1, 2015	416,181	3,479,927
Transfer from Asset Revaluation Reserve to Accumulated Funds		-
Surplus / (Deficit) attributable to members	4,781	-
Balance as at June 30, 2016	<u>420,962</u>	<u>3,479,927</u>
Transfer from Asset Revaluation Reserve to Accumulated Funds	-	-
Surplus attributable to members	(21,614)	-
Balance as at June 30, 2017	<u><u>399,348</u></u>	<u><u>3,479,927</u></u>

Asset Revaluation Reserve

The Asset Revaluation Reserve records revaluations of non-current assets.

The accompanying notes form part of these financial statements.

WARRINGAH BOWLING CLUB LIMITED
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Cash Flow Statement for the Year Ended 30 June, 2017

	Note	2017 \$	2016 \$
Cash Flow from Operating Activities			
Receipts from Customers		985,707	901,724
Payments to Suppliers		(893,703)	(866,187)
Interest Received		267	485
Interest Paid		(16,040)	(14,995)
		<hr/>	<hr/>
Net Cash Provided by / (used in) Operating Activities	6	76,231	21,027
Cash Flows from Investing Activities			
Proceeds from Sale of Property, Plant & Equipment		-	-
Payment for Property, Plant & Equipment		(55,923)	(37,047)
		<hr/>	<hr/>
Net Cash Provided by / (used in) Investing Activities		(55,923)	(37,047)
Cash Flows from Financing Activities			
Proceeds from Loans		-	-
Repayment of Loans		-	-
		<hr/>	<hr/>
Net Cash Provided by / (used in) Financing Activities		-	-
Net Increase / (Decrease) in Cash Held		20,308	(16,020)
Cash at Beginning of Year	6	69,541	85,561
		<hr/>	<hr/>
Cash at End of Year	6	89,849	69,541
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

WARRINGAH BOWLING CLUB LIMITED
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NOTES TO AND FORMING PART OF THE 2017 FINANCIAL STATEMENTS

The financial statements are for Warringah Bowling Club Limited as an individual not for profit entity, incorporated and domiciled in Australia. Warringah Bowling Club Limited is a company limited by guarantee.

The financial statements were authorised for issue on October, 2017 by the directors of the club.

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001 and the Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Material accounting policies adopted in the preparation of the financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accrual 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.

a) Income Tax

No provision for income tax is required as the Club is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997, due to its promotions of bowls.

b) Inventories on Hand

Inventories are measured at the lower cost and current replacement cost.

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

c) Impairment of Assets

At the end of each reporting period, the Club reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

When the future economic benefits of the asset are not primarily dependent upon the assets ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is assessed as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

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NOTES TO AND FORMING PART OF THE 2017 FINANCIAL STATEMENTS

d) Property, Plant and Equipment

- (i) Each class of Property, Plant and Equipment is carried at cost of fair value, less where applicable, any accumulated depreciation and impairment losses.

Freehold Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

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 are recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

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.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount the carrying amount is written down to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are 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 recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated over their useful lives to the economic entity commencing from the time the asset is held ready for use.

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

<u>Classes of Fixed Asset</u>	<u>Depreciation Rate</u>
Buildings	0.0 - 2.5%
Furniture & Fittings	10.0 - 33.0%
Plant & equipment	5.0 – 50.0%
Greens & Surrounds	10.0 – 20.0%

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NOTES TO AND FORMING PART OF THE 2017 FINANCIAL STATEMENTS

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Club are classified as finance leases. Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability & the lease interest expense for the period.

f) Employee Provisions

(i) Short-term employee provisions

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 before 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.

(ii) Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees rendered the related service. Other long-term employee benefits 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 level, duration 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 remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

The Club's obligation for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the Club 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 provisions.

g) Cash on Hand

Cash on hand includes 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.

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NOTES TO AND FORMING PART OF THE 2017 FINANCIAL STATEMENTS

h) Accounts Receivable and Other Debtors

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

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(c) for further discussion on the determination of impairment losses.

i) Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied. When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The Club receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations and bequests are recognised as revenue when received. Dividends revenue is recognised when the right to receive a dividend has been established. Revenue from the sale of goods and delivery of services 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. All revenue is stated net of goods and services tax.

Revenue from the rendering of a service is recognised upon the deliver of the service to the customer. All revenue is stated net of the amount of goods and services tax.

e) Goods & Services Tax

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 (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position. Cash flows are presented on a net basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

f) Provisions

Provisions are recognised when the entity 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. Provisions recognised represent the best estimate of the amounts required to settle the obligations at the end of the reporting period.

WARRINGAH BOWLING CLUB LIMITED
A.B.N. 85 000 014 219

NOTES TO AND FORMING PART OF THE 2017 FINANCIAL STATEMENTS

k) Comparative Figures

When required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year. When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

l) New Accounting Standards for Application in Future Periods

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 July 2016. Information on the more significant standard(s) is presented below.

AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to AASB 116 prohibit the use of a revenue-based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment.

AASB 2014-4 is applicable to annual reporting periods beginning on or after 1 January 2016.

The adoption of these amendments has not had a material impact on the Club.

AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101

The standard makes amendments to AASB 101 *Presentation of Financial Statements* arising from the IASB'S Disclosure Initiative project.

The amendments:

- clarify the materiality requirements in AASB 101, including an emphasis on the potentially detrimental effect of obscuring useful information with immaterial information.
- clarify that AASB 101's specified line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated.
- add requirements for how an entity should present subtotals in the statement(s) of profit and loss and other comprehensive income and the statement of financial position.
- clarify that entities have flexibility as to the order in which they present the notes, but also emphasize that understandability and comparability should be considered by an entity when deciding that order.
- remove potentially unhelpful guidance in AASB 101 for identifying a significant accounting policy.

AASB 2015-2 is applicable to annual reporting periods beginning on or after 1 January 2016.

The adoption of these amendments has not had a material impact on the Club.

WARRINGAH BOWLING CLUB LIMITED
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NOTES TO AND FORMING PART OF THE 2017 FINANCIAL STATEMENTS

m) Accounts Payable and Other Payables

Accounts payable 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. and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Club 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.

n) Critical Accounting Estimates and Judgements

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 within the Club.

	NOTE	2017 \$	2016 \$
NOTE 2: REVENUE & OTHER INCOME			
Sales Revenue			
Bar Sales		338,369	272,818
Functions & Catering Income		236,820	217,490
		575,189	490,308
Other Income			
Poker Machine Revenue		48,559	46,382
Bowling Green Income		39,491	53,725
Subscriptions		21,431	20,641
Rents Received		289,040	284,019
Raffle Income		(4,184)	(93)
Interest Received		267	485
Other Income		9,176	22,705
		403,780	427,864
Total Income		978,969	918,172

WARRINGAH BOWLING CLUB LIMITED
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NOTES TO AND FORMING PART OF THE 2017 FINANCIAL STATEMENTS

	NOTE	2017 \$	2016 \$
NOTE 3: EXPENSES			
Cost of Sales			
Cost of Sales – Bar		140,389	118,658
Cost of Sales – Function & Catering		100,659	109,809
		<u>241,048</u>	<u>228,467</u>
Other Expenses			
Bowls Related		85,051	89,677
Employee Benefits		391,038	345,860
Administration		66,993	68,438
Repairs & Maintenance		29,726	18,677
Other Expenses		2,595	1,404
Depreciation Expense		73,170	64,601
Interest Expense		16,040	14,995
Operational Expenses		89,113	81,272
		<u>753,726</u>	<u>684,924</u>
Total Expenses		<u><u>994,774</u></u>	<u><u>913,391</u></u>
NOTE 4: DEPRECIATION			
Clubhouse		6,052	6,028
Furniture & Fittings		28,248	27,433
Plant & Equipment		26,384	24,944
Greens & Grounds		3,141	3,121
Poker Machines		9,345	3,075
		<u>73,170</u>	<u>64,601</u>
NOTE 5: RESERVES			
Asset Revaluation Reserve		<u><u>3,479,927</u></u>	<u><u>3,479,927</u></u>
NOTE 6: CASH ON HAND			
a) Bank Accounts			
Trading Account		27,806	9,230
Interest Bearing Account		35,055	34,813
Trophies Account		1,520	1,513
Women's Accounts		8,812	8,812
Digger's Section		2,921	-
Foundation Account		3,641	2,366
Term Deposit		-	-
Construction Account		199	199
Cash on Hand		<u>9,895</u>	<u>12,608</u>
		<u><u>89,849</u></u>	<u><u>69,541</u></u>

The effective interest rate on short-term bank deposits was 0.76%

WARRINGAH BOWLING CLUB LIMITED
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NOTES TO AND FORMING PART OF THE 2017 FINANCIAL STATEMENTS

NOTE 6: CASH (Cont'd)

	NOTE	2017	2016
b) Reconciliation of cash flow from operating activities with			
Current Year Surplus		\$	\$
Operating Profit/(Loss) after Income Tax		(21,614)	4,781
Non-cash flows in operating profit			
Depreciation		73,170	64,601
Changes to Provision		854	(2,155)
Changes in assets & liabilities			
Decrease (Increase) in trade Debtors		12,550	(15,963)
Decrease (Increase) in inventories		(5,867)	1,209
Decrease (Increase) in prepayments		(511)	33
(Decrease) Increase in trade creditors & Accruals		21,729	(1,909)
(Decrease) Increase in Income in Advance		(4,080)	(29,570)
Net Cash provided by Operating Activities		76,231	21,027

NOTE 7: RECEIVABLES

Trade Debtors	6,859	19,412
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i. Provision for Doubtful Debts

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items.

Movement in the provision for impairment of receivables is as follows:

Provision for impairment as at 30 June 2014	NIL	NIL
- Charge for year	-	-
- Written off	-	-
Provision for impairment as at 30 June 2015	NIL	NIL
- Charge for year	-	-
- Written off	-	-
Provision for impairment as at 30 June 2016	NIL	NIL

ii. Credit Risk – Accounts Receivable and Other Debtors

The Club does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the company's trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Club and the customer. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

WARRINGAH BOWLING CLUB LIMITED
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NOTES TO AND FORMING PART OF THE 2017 FINANCIAL STATEMENTS

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount	Past due & impaired	Past due but not impaired (days overdue)			Within initial trade terms
			< 30	31-60	61-90	
2016						
Trade receivables	19,412	-		-	-	19,412
Other receivables	-	-	-	-	-	-
Total	19,412	-	-	-	-	19,412
2017						
Trade receivables	12,407	-		-	-	12,407
Other receivables	-	-	-	-	-	-
Total	12,407	-	-	-	-	12,407

	NOTE	2017 \$	2016 \$
NOTE 7a: PREPAYMENTS			
Prepayments		5,520	5,009
NOTE 8: INVENTORIES			
Stock on Hand		29,183	23,316
NOTE 9: PROPERTY, PLANT & EQUIPMENT			
Freehold Land			
At valuation		3,600,000	3,600,000
Clubhouse			
Clubhouse at Cost		252,114	238,239
Less: Accumulated Depreciation		(16,668)	(10,616)
		<u>235,446</u>	<u>227,623</u>
Plant & Equipment			
Equipment at Cost		270,185	252,343
Less: Accumulated Depreciation		(134,750)	(108,367)
		<u>135,435</u>	<u>143,976</u>
Furniture & Fittings			
Furniture at Cost		221,101	210,895
Less: Accumulated Depreciation		(126,239)	(97,990)
		<u>94,862</u>	<u>112,905</u>
Greens & Surrounds			
Greens at Cost		29,507	29,507
Less: Accumulated Depreciation		(17,794)	(14,653)
		<u>11,713</u>	<u>14,854</u>
Poker Machines			
Poker Machines at Cost		37,450	23,450
Less: Accumulated Depreciation		(14,215)	(4,870)
		<u>23,235</u>	<u>18,580</u>
Total		<u><u>4,100,691</u></u>	<u><u>4,117,938</u></u>

WARRINGAH BOWLING CLUB LIMITED
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NOTES TO AND FORMING PART OF THE 2017 FINANCIAL STATEMENTS

NOTE 9: PROPERTY, PLANT & EQUIPMENT (Cont'd)

Movement in Carrying Amounts

	2016	Furniture & Fittings	Clubhouse	Plant & Equipment	Greens & Surrounds	Poker Machines	Total
Net Book Value Brought Forward		127,230	230,172	166,800	16,785	4,505	545,492
Additions (Disposals)		13,108	3,479	2,120	1,190	17,150	37,047
Depreciation Expense		(27,433)	(6,028)	(24,944)	(3,121)	(3,075)	(64,601)
Impairment Adjustments		-	-	-	-	-	-
Carrying amount at end of year		112,905	227,623	143,976	14,854	18,580	517,938

	2017	Furniture & Fittings	Clubhouse	Plant & Equipment	Greens & Surrounds	Poker Machines	Total
Net Book Value Brought Forward		112,905	227,623	143,976	14,854	18,580	517,938
Additions (Disposals)		10,206	13,875	17,842	-	14,000	55,923
Depreciation Expense		(28,249)	(6,052)	(26,383)	(3,141)	(9,345)	(73,170)
Impairment Adjustments		-	-	-	-	-	-
Carrying amount at end of year		94,862	235,446	135,435	11,713	23,235	500,691

NOTE 10: PAYABLES - CURRENT

	NOTE	2017	2016
		\$	\$
Trade Creditors		35,861	19,016
Other Creditors		11,293	12,305
Audit Fees		6,500	5,000
Other Payroll Liabilities		9,297	8,291
		62,951	44,612

NOTE 11: BORROWINGS

Current	-	-
Non-current	260,000	260,000

NOTE 12: TAXES

GST Liability	13,122	10,950
PAYG Withholding tax due	12,532	11,317
	25,654	22,267

NOTE 13: PROVISIONS - CURRENT

Provision for Annual Leave	1,893	1,039
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The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service.

WARRINGAH BOWLING CLUB LIMITED
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NOTES TO AND FORMING PART OF THE 2017 FINANCIAL STATEMENTS

Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

NOTE 14: OTHER LIABILITIES (CURRENT)	NOTE	2017	2016
		\$	\$
Subscriptions in Advance		832	3,732
Function Deposits		1,500	2,677
		<u>2,332</u>	<u>6,409</u>

NOTE 15: RELATED PARTY TRANSACTIONS

- a) Key Management Personnel. During the reporting period the club did not employ anybody who was a close relative of a Director or Top Executive
- b) Other Related Parties – Payments to entities related to Directors and Top Executives. During the reporting period the club did not make any payments to entities that were related to Directors or Top Executives.

NOTE 16: MEMBERS' GUARANTEE

The Club is limited by guarantee. If the company is wound up, the Articles of Association state that each member is required to contribute a maximum of \$10 each toward meeting any outstanding obligation of the Club. At June 30 2017, the number of members was 1,171 (2016 - 789).

NOTE 17: CAPITAL AND LEASING COMMITMENTS	NOTE	2017	2016
(a) Finance lease Commitments		NIL	NIL
(b) Hire Purchase Commitments		NIL	NIL
(c) Capital expenditure commitments payable not later than one year			
- Plant and equipment purchases		NIL	NIL
- Capital expenditure projects		NIL	NIL

NOTE 18: CONTINGENT LIABILITY

At the 30 th June, 2016 the Club had no Contingent liabilities.	NIL	NIL
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WARRINGAH BOWLING CLUB LIMITED
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NOTES TO AND FORMING PART OF THE 2017 FINANCIAL STATEMENTS

	NOTE	2017	2016
NOTE 19: SUBSEQUENT EVENTS		NIL	NIL
NOTE 20: SEGMENT REPORTING		NIL	NIL

The Club operates predominantly in one industry. The principal activities of the Club are those of a Bowling Club. The Club operates in one geographical area being Mosman, NSW Australia.

NOTE 21: FINANCIAL RISK MANAGEMENT

The Club's financial instruments consist mainly of deposits with banks, accounts receivable and the totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	NOTE	2017	2016
Financial Assets		\$	\$
Cash on Hand	6	89,849	69,541
Accounts receivables and other debtors	7	12,407	19,412
		102,256	88,953
Financial Liabilities			
Financial liabilities at amortised cost			
- Accounts Payable and other payables	10	62,951	44,609
- Taxes Payable	12	25,654	22,267
- Borrowings	11	260,000	260,000
		348,605	326,876

Financial Risk Management Policies

The committee's overall risk management strategy seeks to assist the Club in meeting its financial targets, whilst minimizing potential adverse effects on financial performance. Risk management policies are approved and reviewed by the committee on a regular basis. These include credit risk policies and future cash flow requirements

Specific Financial Risk Exposures and Management

The main risk the Club is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

a. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial rate instruments.

WARRINGAH BOWLING CLUB LIMITED
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NOTES TO AND FORMING PART OF THE 2017 FINANCIAL STATEMENTS

b. Liquidity risk

Liquidity risk arises from the possibility that the Club might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Club manages this risk through the following mechanisms:

- Preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- Maintaining a reputable credit profile;
- Managing credit risk related to financial assets;
- Investing only in surplus cash with major financial institutions; and
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 - 5 Years		Over 5 Years		Total Contractual Cash Flow	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Liabilities Due for Payment								
Unsecured Notes	-	-	260,000	260,000	-	-	260,000	260,000
Lease Liabilities		-		-	-	-	-	-
Trade and Other Payables (excluding estimated Annual Leave and Deferred Income)	88,605	66,879		-	-	-	88,605	66,879
Total Expected Outflows	88,605	66,879	260,000	260,000	-	-	348,605	326,879

Financial liability and financial asset maturity analysis

	Within 1 Year		1 - 5 Years		Over 5 Years		Total Contractual	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets - Cash Flows Realisable								
Cash on Hand	89,849	69,541	-	-		-	89,849	69,541
Trade Term and Loans Receivables	12,407	19,412	-	-		-	12,407	19,412
Total Anticipated Inflows	102,256	88,953	-	-		-	102,256	88,953
Net (Outflow) Inflow on Financial Instruments	13,651	22,131	(260,000)	(260,000)		-	(246,349)	(237,923)

WARRINGAH BOWLING CLUB LIMITED
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NOTES TO AND FORMING PART OF THE 2017 FINANCIAL STATEMENTS

Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the Club.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Accounts Receivable and other receivables that are neither past due nor impaired are considered to be of quality. Aggregates of such amounts are as detailed in Note 7.

The Club does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company. The trade receivables balance at 30 June 2016 and 30 June 2015 do not include any counter parties with external credit ratings.

Customers are assessed for credit criteria worthiness based on enquiry of the customer and management due diligence enquiries.

Credit risk related to balances with banks and other financial institutions is managed by the committee in accordance with approved Board policy. The following table provides information regarding credit risk relating to cash and cash equivalents.

	Note	2017	2016
Cash and Cash Equivalents	6	89,849	69,541

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below.

	Footnote	2017		2016	
		Carrying	Value	Carrying	Value
Financial assets					
Cash on Hand	(i)	89,849	89,849	69,541	69,541
Accounts receivables & other Debtors	(i)	12,407	12,407	19,412	19,412
Total financial assets		102,256	102,256	88,953	88,953
Financial liabilities					
Accounts Payables and other payables	(i)	88,605	88,605	66,879	66,879
Total financial liabilities		13,651	13,651	66,879	66,879

The fair values disclosed in the above table have been determined based on the following methodologies:

WARRINGAH BOWLING CLUB LIMITED
A.B.N. 85 000 014 219

NOTES TO AND FORMING PART OF THE 2017 FINANCIAL STATEMENTS

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for, relating to annual leave and deferred income which is not considered a financial instrument.

(ii) In the year ended 30 June 2016, \$10,000 promissory notes were offered to members with terms of principal repayable at maturity in 5 years and fixed interest of 6% payable annually in arrears. The net value represents the principal and the net fair value being the undiscounted remaining principal & interest due over the term of the note.

Sensitivity Analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates.

The table indicates the impact on how profit reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

Year Ended 30 June 2016	Profit	Equity
	\$	\$
± 2% in interest rates	± \$1,215	± \$1,215
Year Ended 30 June 2017	Profit	Equity
	\$	\$
± 2% in interest rates	± 961	± 961

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

No sensitivity analysis has been performed on foreign exchange risk, as the Club is not exposed to foreign currency fluctuations.

NOTE 22: CLUB DETAILS

The registered office and principal place of business for the club is
Warringah Bowling Club Ltd
74 – 82 Bradleys Head Rd
MOSMAN NSW 2088

NOTE 23: CAPITAL MANAGEMENT

The Board controls the capital of the entity to ensure that adequate cash flows are generated to fund its operations.

Risk management policies are approved and reviewed by the board on a regular basis. These include credit risk policies and future cash flow requirements.

NOTE 24: Core vs Non-Core Property

The Club's core property comprises the defined trading premises situated at 74-82 Bradley Head Road Mosman and the leased childcare centre at 72 Bradleys Head Road Mosman.

The Club has no non-core property

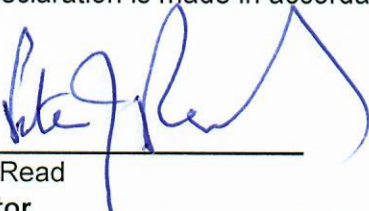
WARRINGAH BOWLING CLUB LIMITED
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DIRECTORS' DECLARATION

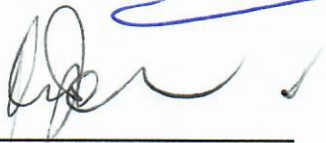
The Directors of the Club declare that:

- 1 The financial statements and notes, as set out on pages 6 to 25 are in accordance with the Corporations Act 2001:
 - (a) Comply with Australian Accounting Standards; and
 - (b) Give a true and fair view of the financial position of the Club as at 30 June, 2017 and of the performance of the year ended on that date of the Club.
- 2 In the opinion of the Directors these are reasonable grounds to believe that the Company will be able to pay its debts and when they become due and payable.

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



Peter Read
Director



Graham Johnson
Director

Dated October, 2017

WARRINGAH BOWLING CLUB LIMITED

A.B.N. 85 000 014 219

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
WARRINGAH BOWLING CLUB LIMITED**

Our Opinion

In our opinion:

The accompanying financial report of WARRINGAH BOWLING CLUB LIMITED is in accordance with the *Corporations Act 2001*, including:

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

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2017
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

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

Independence

We are independent of the CLUB 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.

WARRINGAH BOWLING CLUB LIMITED

A.B.N. 85 000 014 219

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
WARRINGAH BOWLING CLUB LIMITED**

Responsibilities of the directors for the financial report

The directors of the CLUB 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 ability of the CLUB 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 CLUB 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 the financial report.

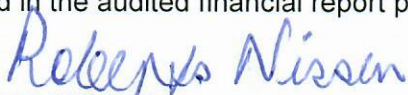
A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_files/ar3.pdf.

This description forms part of our auditors report.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of WARRINGAH BOWLING CLUB LIMITED for the year ended 30 June 2017 included on WARRINGAH BOWLING CLUB LIMITED's website. The directors of the Company are responsible for the integrity of WARRINGAH BOWLING CLUB LIMITED's website. We have not been engaged to report on the integrity of this website. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this website.



ROBERTS NISSEN



P.M. MELDRUM
Partner

Sydney
12/10/2017