# WARRINGAH BOWLING CLUB

# 2018 ANNUAL REPORT

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

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

# NOTICE OF 116TH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY given that the one hundred and sixteenth Annual General Meeting of the Warringah Bowling Club Ltd will be held in the clubhouse, 74-82 Bradleys Head Road, Mosman at 10am Sunday 25th November 2018**

## 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 26 November, 2017

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 2018 Annual Report will be on the club website or available by request to the Secretary Manager on or after the 1st November 2018

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 12th day of October 2018

**Chairman's Report 2018**

In terms of usage of our Club this year was spectacularly successful with our turnover passing the $1m mark for the first time ever; it grew by 25.9% over the previous year, which was also a record. Regrettably the bottom line outcome was still a loss. What it shows that with the state of the Club we cannot charge enough to lift our margins and thus show a profit.

This can only be changed when we are able to proceed with the major renovations planned in our Strategic Plan.

This year has been a year of frustrations with decisions taken on the basis of strongly expected events that did not in fact occur.
At the 27 March meeting Alex submitted a strategic review to the Board for discussion. Highlighting the need to move forward or continue to lose ground. Revenues continue to increase but are matched by cost increases. Net result no profit.
AS recommends that if we do not choose to move forward with renovation plans, then the best option is to move to "grey mode" shutting down all non – bowls based activity and attempting to conserve cash flow.

The Board chose not to do so in the belief that we expected to begin the renovations fairly soon.

We applied to Mosman Council in April to subdivide our title into three so that we could mortgage only part of our Club grounds as security for our planned borrowing. As at the time of writing, 29th October, this has still not been approved. After approval it is estimated to take 8 weeks for the Land Titles Office to issue the new titles.

The Board wanted to keep on track to build the terrace project in June / July school holidays. In early July we began negotiations with Bendigo Bank, which encouraged us to continue full trading only to have the funding offer withdrawn in September.

As well as the delays the compliance work required by Council because we are located in a residential area (although the Club has been here 115 Years) and much of the residences are on land that was sold by the Club in the past. This year we have had to submit multiple surveyor's reports, acoustic engineer's reports, environmental impact reports, mechanical engineer's reports, just to name a few.

The importance of this history is that in retrospect, the actual events kept us trading unprofitably when maybe we should have decided to go into grey mode at our March 27 Board Meeting.

Our thinking for F19 is that we trade normally until Christmas. In January we are semi closed down, but come the end of January we must decide the strategy we should follow based upon:

1. Whether Council has approved the subdivision of our title and it is now with the Land Title Office
2. Whether we have secured the finance for our renovations. Preliminary discussions have been held with Westpac, our bank, which can then proceed after we can lodge our latest accounts after the AGM on 25 November.

Many think that with the revenue from the Child Care Centre the Club has plenty of cash. Wrong. Even if we go into grey mode shutting down all non – bowls based activity and attempting to conserve cash, the ongoing costs such as, greens maintenance, insurances, cleaning, utilities, waste removal, council rates, repairs and maintenance etc. amount to approximately the total rental income from the Child Care Centre of currently $270K.

We very much want to continue trading normally, and start the renovations in the first quarter of next year, but given all the delays we have faced this year who can know. What we do know is that the Board meeting at the end of January next year will be a meeting when tough decisions will have to be made.

Peter Read B.Ec. FAICD
Chairman
29 October 2018

**Treasurer's Report 2018**

**Highlights**

I'd like to highlight some key Income and Expenditure items

| Income | This Year ('000's) | % of Sales | Last Year('000's) | % of Sales |
|---|---|---|---|---|
| Bar Takings | $486 | 39.4 | $338 | 34.6 |
| Functions Income | $54 | 4.4 | $44 | 4.5 |
| Catering Income | $275 | 22.3 | $192 | 19.7 |
| Poker Machines | $37 | 3.0 | $49 | 5.0 |

Our income for the year grew 25.9% and expenses 25.4% which shows a very pleasing increase in the usage of the Club but for no bottom line gain, highlighting that the state of the Club does not allow us to charge high enough prices and margins. However total expenses as a percentage of sales fell from 75.3% to 74.9% despite uncontrollable expenses growing at 32%

| Expenses | This Year ('000's) | % of Sales | Last Year ('000's) | % of Sales |
|---|---|---|---|---|
| Cleaning | $27 | | $23 | |
| Electricity | $30 | | $21 | |
| Waste Removal | $16 | | $11 | |
| | $73 | +32.2% growth | $55 | |
| Operations | $175 | 14.2 | $154 | 15.7 |
| Promotions | $28 | | $2 | |
| Staff Costs | $507 | 41.1 | $390 | 39.9 |
| Repairs & Maint. | $37 | | $30 | |

| | This Year ('000's) | | Last Year ('000's) | |
|---|---|---|---|---|
| **Net Profit/Loss** | **($51.6)** | | **($16.1)** | |
| Prior Period Adjustment | ($6.4) | | ($5.5) | |
| Total Comprehensive Income | ($45.2) | | ($21.6) | |

| | This Year ('000's) | | Last Year ('000's) | |
|---|---|---|---|---|
| Net cash flow from operations | $100 | | $76 | |
| Net cash flow from capital purchases | $86 | | $56 | |
| Proceeds from loans | $70 | | $0 | |
| | **$184** | | **$90** | |

Our operations generated a very pleasing cash flow allowing the Club to grow our investment in plant and equipment yet finish the year in a strong cash position with depreciation (a non-cash item)

Peter Read B.Ec. FAICD
Treasurer
29 October 2018

**President's Report 2018**

At the time of writing this Warringah Men's Bowling Club have just taken the Annual Mayoral Trophy from Mosman Bowling Club. Having taken the Harkness Trophy from Mosman early in the year, we're proud to have a collection of their silverware adorning our walls!

It was another strong season of Men's Pennants. We were only denied a place in the grade 6 zone playoff's after a zone imposed penalty for an undefined administrative code breach resulted in the loss of a winning round's pennants points. It's pretty simple now, we just get out there and win it in 2019.

In another strong showing we ranked fourth out of sixteen entries in the Roseville shied. It is important that we continue to put our brand out there by entering in as many of our neighbour's tournaments as possible. The board is exploring an innovative and cost effective solution to members transport to and from approved and sanctioned events.

Speaking of our brand, after a lot of hard work, Secretary Rusty has finally got all of our new uniforms here. It is great to see our members in the most modern kit out there. There aren't many clubs who can boast so many great sponsors, namely:

- Geoff Grist – Richardson & Wrench
- Hotel Mosman
- 2020 Dry Cleaners
- Advanced Press
- Flight Centre Spit Junction
- Estate Wines

Our Club Champion for 2018 is Matt Barry, with David McCredie runner up.

Our Minor Singles Champion for 2018 is Will Marr, with Martin Fitzgerald runner up.

I'd like to thank my committee for their efforts: Will Marr, Russell Tuckwell and Joe Wolford.

Finally, on recruitment, it is everybody's responsibility to encourage new bowlers to the game. It's not just bowls, it's a unique social offering.

Greg Cutler

President

## Madam President's Report

Warringah again did well in the Grade 3 pennants in conjunction with Lane Cove, coming second in there group.  We are hosted the district triples in conjunction with Mosman this year and the Warringah trophy day was fully subscribed and held on the 6th August.

Saturday social bowls is still going well and being enjoyed by all who play, also we are well on with the club championships. Winners up to now Singles Major Janine Mountain, Minor Singles Wendy Town, Pairs, Judy Legras and Jan Mountain.

Also our social involvement with the Warringah Bowling club is still going well with the following activities, Bridge Monday and Thursdays and Mah-jong is still going strong on a Wednesday afternoon after social bowls.

On behalf of the ladies I would like to thank Jan Mountain for her three years' service as President and Judy Legras for her work as Secretary.

I am looking forward to my first year as President and taking my position on the Board. I am very excited about promoting the club's plans for the future. In order to attract more bowlers we must offer a social scene and more activities, it has to be more than just bowls.

Libby Moline

President

**Secretary Manager's Report 2018**

The Financial Year to 30th June has been one of frustration and satisfaction. The club's revenue grew significantly over the period, as did our cash flows, however as a result of delays in obtaining DA's and financing, stages of our strategic plan have not yet been implemented.

2018 in numbers: our non-childcare revenue grew by $254k, yet we posted a net loss of $51k (EBITDA was a surplus of $33k). From a cash flow perspective our operating activities resulted in a cash surplus of $99k (2017: $76k). From this we invested $85k in capital works. The bulk of this was spent on the DA process ($42k), with discretionary improvements ($24k furnishings and gaming) and non-discretionary ($19k replacement and upgrades to plant & equipment) making up the other items. The revenue increases were the result of the club following a clearly defined short term marketing plan over 2017-18.

The reality is that we have proven over and over again that we can generate revenue and attract people to the venue, however the physical state of the venue in both appearance and utility does not allow us to a) charge a reasonable margin for services provided or b) operate in an efficient manner. It has to be remembered that between 1962 and 2012, virtually no money was spent on capital improvements. Most important is our lack of relevant gaming revenue.

A few statistics about gaming in Mosman. State wide poker machine net profit rankings to 30 December 2017 for clubs show we rank 961 / 1101 in gaming revenue, the RSL ranks 258 / 1101 (granted they have more machines). More relevant to our operation, in Hotel rankings, Hotel Mosman ranks 251 / 1460 hotels with 23 machines and the Buena ranks 655 / 1460 with 12 machines. Whilst our current core membership may not participate, the argument that people in Mosman don't play poker machines is just not valid.

In March I presented a strategic review to the board analysing financial trends over the years 2012 – 2017 and in July I presented a financial review in order to help the board's decision making for the ensuing year.

Highlights of the March strategic review were that bar income had grown steadily over the 5 years by approx. $25k per annum however our GP had remained at approximately 58%, far below the GP required to maintain a healthy profit. Function and catering income had grown from $8k to $146k per annum. Poker machine income grew but remained at 5% of total revenues. Membership subscriptions had remained steady at 2% of revenue. The most interesting figure was that childcare rental as a percentage of revenue had dropped from 45% in 2012 to 29% in 2017 (24% in 2018).

The major issues highlighted in the March review were: the lack of a commercial kitchen, the lack of modern bar facilities, and the weather dependence of the venue, the outdated clubhouse and the continuing decline in the sport of bowls. The major advantages identified were: the club's location, freehold property, lack of any substantial debt, space and size of the club, family appeal and a core membership enthusiastic for growth. The potential outcomes identified were to a) regress to a core bowling club, b) go into a conservative "grey mode" whilst concentrating on future planning c) continue the status quo in anticipation of DA's being approved, finance acquired and works commencing.

Based on an indication from council that our subdivision would be approved around June, the board chose to continue on a path of growth and momentum whilst the club investigated funding for the various stages of the modernisation project.

A little about the club's plans and the DA process. The board released a four staged modernisation plan mid-year. A little on progress:

Stage 1 – The Terrace Project. To open the front of the clubhouse, modernise the bar and kitchen, construct a new café and pizza kitchen. DA has been approved. It was agreed to pursue funding for the openings and external works, kitchen and bar works were to be reviewed when the proceeds of opening works were established.

Stage 2 – Outdoor gaming room and smoking balcony. Negotiations have been ongoing with council for 6 months including a pre-DA meeting. Recently $11k was spent satisfying council's requests for environmental and acoustic effects. We engaged town planners, mechanical ventilation engineers, structural engineers, architects, acoustic engineers and surveyors. We are confident we have addressed all of council's concerns and will submit a DA this November.

Stage 3 – The Deck –a three tiered space including outdoor function space and kitchen, beer garden & outdoor dining and segregated family fun space. This project includes resuming approx. one third of green 1 and replacing the remainder with a synthetic surface. Artist's impressions have been released and the DA process will commence upon approval of Stage 2.

Stage 4 – The Bowls Pavilion. This project involves sealing the surface of the bbq space adjacent to green 2, installation of fixed bbq and food preparation areas, furnishings, an all-weather retractable roof, heating and cooling. Approval for this project was granted by way of a s.96 approval for modifications to certain elements of the Terrace DA mid-year. This will provide a premium facility for bowlers on what will become our primary turf green, as well as create an income generating additional function space and premium facility for our corporate clients.

Project financing. It is critical to success of the project that all stages are completed. It was decided to sub-divide the no.1 green off the rest of the property in order to finance stages 1 and 4 of the project. As we were only seeking funding for $250k with an additional $100k facility it seemed ludicrous to encumber the entire property. The main benefits of this approach were that a) the child care centre remains un-encumbered, b) the bulk of the club and greens property remains un-encumbered – the rank of our promissory note holders remains unchanged, and c) financing future stages of the project may be much simpler as they would not involve re-financing previous stages. After a false start with another lender, and primarily due to the fact we are still awaiting the subdivision, we are now in negotiations with our current bankers to finance the project.

I hope you enjoy the quality and style of the new café courtyard garden, it's a small taste of things to come.

Alex Sangkuhl

Secretary Manager

**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 2018.

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

A. Dooley OAM
G. Cutler
G. Walton
G. Johnson
J. LeGras
J. Mountain
P. Read
S. Menzies

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.

## DIRECTORS' REPORT

6. Additional information regarding Directors

| CURRENT DIRECTORS | EXPERIENCE & QUALIFICATIONS | POSITION | BOARD MEETINGS A/B |
|---|---|---|---|
| Peter Read | 2 Years on the Board<br>Past Treasurer<br>Company Director | Chairman & Treasurer | 10/10 |
| Janine Mountain | 3 Years on the Board<br>Retired IT Manager | Women's President | 3/10 |
| Greg Cutler | 2 Years on the Board<br>Carpenter | Men's President | 9/10 |
| Graham Walton | 2 Years on the Board<br>Company Director | Director | 8/10 |
| Judy LeGras | 3 Years on the Board<br>Travel Agent | Director | 5/10 |
| Simon Menzies | 1 Year on the Board | Director | 4/4 |

A - Number of meetings attended
B - Number of meetings eligible to attend

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

## DIRECTORS' REPORT

6. Additional information regarding Directors

| Retired Directors | EXPERIENCE & QUALIFICATIONS | POSITION | BOARD MEETINGS A/B |
|---|---|---|---|
| Ann Dooley OAM | 5 Years on the Board | Chairman | 4/5 |
| Graham Johnson | 3 Years on the Board | Director | 5/7 |

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 2018, the total amount that members of the company are liable to contribute if the company is wound up is $13,360 (2017: $11,710).

Auditor's Independence Declaration

8 The lead auditor's independence declaration for the year ended 30 June 2018 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**

**Janine Mountain**
**Director**

Signed at Mosman, dated 30 October 2018

**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 2018 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.

Roberts Nissen

Name of Firm: **ROBERTS NISSEN**

Name of Partner: **P M MELDRUM**

Date: 30 October 2018
Address: Suite 2, Level 3, 121 Walker St, North Sydney

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

## Statement of Profit or Loss for the Year Ended 30 June 2018

| | Note | 2018<br>$ | 2017<br>$ |
|---|---|---|---|
| **Revenue** | | | |
| Sales Revenue | 2 | 814,911 | 575,189 |
| Cost of Sales | 3 | (343,287) | (241,048) |
| **Gross Profit** | | 471,624 | 334,141 |
| Other Income | 2 | 418,694 | 403,780 |
| **Expenses** | | | |
| Administration Expenses | 3 | (76,384) | (67,257) |
| Employee benefits Expenses | 3 | (506,524) | (391,038) |
| Depreciation & Amortisation | 4 | (67,404) | (73,170) |
| Bowls Related Expenses | 3 | (88,596) | (85,051) |
| Repairs & Maintenance | 3 | (37,427) | (29,726) |
| Operational Expenses | 3 | (107,865) | (89,113) |
| Interest Expense | 3 | (17,597) | (16,040) |
| Other Expenses | 3 | (40,157) | (2,595) |
| Current Year Surplus/(Deficit) from Ordinary Activities | | (51,636) | (16,069) |
| Impairment of Assets | 9 | - | - |
| Current Year Surplus/(Deficit) before Income Tax | | (51,636) | (16,069) |
| Income Tax expense | | - | - |
| Net Current Year Profit (Loss) attributable to members of the entity | | (51,636) | (16,069) |

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 2018

| | Note | 2018<br>$ | 2017<br>$ |
|---|---|---|---|
| Net Current Year Surplus (Deficit) | | (51,636) | (16,069) |
| Net gain on revaluation of non-current assets | | - | - |
| Prior period adjustment | | 6399 | (5,545) |
| Total comprehensive Income for the year, attributable to members of the Club | | (45,237) | (21,614) |

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 2018

| | Note | 2018 $ | 2017 $ |
|---|---|---|---|
| **ASSETS** | | | |
| **Current Assets** | | | |
| Cash | 6 | 183,821 | 89,849 |
| Receivables | 7 | 9,161 | 6,862 |
| Inventories | 8 | 38,402 | 29,183 |
| Prepayments | 7a | 5,532 | 5,520 |
| **Total current Assets** | | 236,916 | 131,414 |
| **Non Current Assets** | | | |
| Property, Plant & Equipment | 9 | 4,119,006 | 4,100,691 |
| **Total Non Current Assets** | | 4,119,006 | 4,100,691 |
| **Total Assets** | | 4,355,922 | 4,232,105 |
| **LIABILITIES** | | | |
| **Current Liabilities** | | | |
| Trade & Other Payables | 10 | 112,349 | 62,951 |
| Tax Liabilities | 12 | 68,496 | 25,654 |
| Short Term Provisions | 13 | 1,039 | 1,893 |
| Other | 14 | - | 2,332 |
| **Total Current Liabilities** | | 181,884 | 92,830 |
| **Non Current Liabilities** | 11 | 340,000 | 260,000 |
| **Total Liabilities** | | 521,884 | 352,830 |
| **Net Assets** | | 3,834,038 | 3,879,275 |
| **ACCUMULATED FUNDS AND RESERVES** | | | |
| Retained Profits | | 354,111 | 399,348 |
| Reserves | 5 | 3,479,927 | 3,479,927 |
| **Total Equity** | | 3,834,038 | 3,879,275 |

The accompanying notes form part of these financial statements.

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

### Statement of Changes in Equity as at 30 June, 2018

| | Accumulated Funds | Asset Revaluation Reserve |
|---|---|---|
| | $ | $ |
| **Balance at July 1, 2016** | 420,962 | 3,479,927 |
| Transfer from Asset Revaluation Reserve to Accumulated Funds | - | - |
| Surplus / (Deficit) attributable to members | (21,614) | - |
| **Balance as at June 30, 2017** | 399,348 | 3,479,927 |
| Transfer from Asset Revaluation Reserve to Accumulated Funds | - | - |
| Surplus attributable to members | (45,237) | - |
| **Balance as at June 30, 2018** | 354,111 | 3,479,927 |

**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**
**A.B.N. 85 000 014 219**

## Cash Flow Statement for the Year Ended 30 June, 2018

| | Note | 2018 $ | 2017 $ |
|---|---|---|---|
| **Cash Flow from Operating Activities** | | | |
| Receipts from Customers | | 1,231,092 | 985,707 |
| Payments to Suppliers | | (1,114,018) | (893,703) |
| Interest Received | | 214 | 267 |
| Interest Paid | | (17,597) | (16,040) |
| **Net Cash Provided by / (used in) Operating Activities** | 6 | 99,691 | 76,231 |
| **Cash Flows from Investing Activities** | | | |
| Proceeds from Sale of Property, Plant & Equipment | | - | - |
| Payment for Property, Plant & Equipment | | (85,719) | (55,923) |
| **Net Cash Provided by / (used in) Investing Activities** | | (85,719) | (55,923) |
| **Cash Flows from Financing Activities** | | | |
| Proceeds from Loans | | 90,000 | - |
| Repayment of Loans | | (10,000) | - |
| | | - | |
| **Net Cash Provided by / (used in) Financing Activities** | | 80,000 | - |
| Net Increase / (Decrease) in Cash Held | | 93,972 | 20,308 |
| Cash at Beginning of Year | 6 | 89,849 | 69,541 |
| **Cash at End of Year** | 6 | 183,821 | 89,849 |

The accompanying notes form part of these financial statements.

## NOTES TO AND FORMING PART OF THE 2018 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 2018 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.

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:

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

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.

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.

j) 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.

**NOTES TO AND FORMING PART OF THE 2018 FINANCIAL STATEMENTS**

k) 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.

l) 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.

m) New Accounting Standards for Application in Future Periods

Nil

n) 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.

o) 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 | 2018 $ | 2017 $ |
|---|---|---|---|
| **NOTE 2: REVENUE & OTHER INCOME** | | | |
| **Sales Revenue** | | | |
| Bar Sales | | 485,961 | 338,369 |
| Functions & Catering Income | | 328,950 | 236,820 |
| | | 814,911 | 575,189 |
| **Other Income** | | | |
| Poker Machine Revenue | | 36,963 | 48,559 |
| Bowling Green Income | | 47,378 | 39,491 |
| Subscriptions | | 21,402 | 21,431 |
| Rents Received | | 294,296 | 289,040 |
| Raffle Income | | 2,178 | (4,184) |
| Interest Received | | 214 | 267 |
| Other Income | | 16,263 | 9,176 |
| | | 418,694 | 403,780 |
| Total Income | | 1,233,605 | 978,969 |

| | | 2018 $ | 2017 $ |
|---|---|---|---|
| **NOTE 3: EXPENSES** | | | |
| **Cost of Sales** | | | |
| Cost of Sales – Bar | | 196,312 | 140,389 |
| Cost of Sales – Function & Catering | | 146,975 | 100,659 |
| | | 343,287 | 241,048 |
| **Other Expenses** | | | |
| Bowls Related | | 88,596 | 85,051 |
| Employee Benefits | | 506,524 | 391,038 |
| Administration | | 76,384 | 66,993 |
| Repairs & Maintenance | | 37,427 | 29,726 |
| Other Expenses | | 40,157 | 2,595 |
| Depreciation Expense | | 67,404 | 73,170 |
| Interest Expense | | 17,597 | 16,040 |
| Operational Expenses | | 107,865 | 89,113 |
| | | 941,954 | 753,726 |
| Total Expenses | | 1,285,241 | 994,774 |

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

**NOTES TO AND FORMING PART OF THE 2018 FINANCIAL STATEMENTS**

| | NOTE | 2018 $ | 2017 $ |
|---|---|---|---|
| **NOTE 4: DEPRECIATION** | | | |
| Clubhouse | | 6,433 | 6,052 |
| Furniture & Fittings | | 20,545 | 28,248 |
| Plant & Equipment | | 25,890 | 26,384 |
| Greens & Grounds | | 3,137 | 3,141 |
| Poker Machines | | 11,399 | 9,345 |
| | | 67,404 | 73,170 |
| **NOTE 5: RESERVES** | | | |
| Asset Revaluation Reserve | | 3,479,927 | 3,479,927 |
| **NOTE 6: CASH ON HAND** | | | |
| a) Bank Accounts | | | |
| Trading Account | | 28,500 | 27,806 |
| Interest Bearing Account | | 35,240 | 35,055 |
| Trophies Account | | 1,524 | 1,520 |
| Women's Accounts | | 8,812 | 8,812 |
| Clearing Accounts | | 2,638 | 2,921 |
| Foundation Account | | 3,651 | 3,641 |
| Construction Account | | 90,210 | 199 |
| Cash on Hand | | 13,246 | 9,895 |
| | | 183,821 | 89,849 |
| b) Reconciliation of cash flow from operating activities with Current Year Surplus | | - | - |
| Operating Profit/(Loss) after Income Tax | | (45,237) | (21,614) |
| Non-cash flows in operating profit | | | |
| Depreciation | | 67,404 | 73,170 |
| Changes to Provision | | (854) | 854 |
| Changes in assets & liabilities | | | |
| Decrease (Increase) in trade Debtors | | (2,299) | 12,550 |
| Decrease (Increase) in inventories | | (9,219) | (5,867) |
| Decrease (Increase) in prepayments | | (12) | (511) |
| (Decrease) Increase in trade creditors & Accruals | | 92,240 | 21,729 |
| (Decrease) Increase in Income in Advance | | (2,332) | (4,080) |
| Net Cash provided by Operating Activities | | 99,691 | 76,231 |

| | NOTE | 2018<br>$ | 2017<br>$ |
|---|---|---|---|

## NOTE 7: RECEIVABLES

| | | | |
|---|---|---|---|
| Trade Debtors | | 9,161 | 6,859 |

### 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 2016 | NIL | NIL |
| - Charge for year | - | - |
| - Written off | - | - |
| Provision for impairment as at 30 June 2017 | NIL | NIL |
| - Charge for year | - | - |
| - Written off | - | - |
| Provision for impairment as at 30 June 2018 | 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.

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 | |
| **2017** | | | | | | |
| Trade receivables | 6,862 | - | - | - | - | 6,862 |
| Other receivables | - | - | - | - | - | - |
| **Total** | 6,862 | - | - | - | - | 6,862 |
| **2018** | | | | | | |
| Trade receivables | 9,161 | - | - | - | - | 9,161 |
| Other receivables | | | | | | |
| **Total** | 9,161 | - | - | - | - | 9,161 |

| | NOTE | 2018 $ | 2017 $ |
|---|---|---|---|
| **NOTE 7a: PREPAYMENTS** | | | |
| Prepayments | | 5,532 | 5,520 |
| **NOTE 8: INVENTORIES** | | | |
| Stock on Hand | | 38,402 | 29,183 |
| **NOTE 9: PROPERTY, PLANT & EQUIPMENT** | | | |
| **Freehold Land** | | | |
| At valuation | | 3,600,000 | 3,600,000 |
| **Clubhouse** | | | |
| Clubhouse at Cost | | 294,156 | 252,114 |
| Less: Accumulated Depreciation | | (23,100) | (16,668) |
| | | 271,056 | 235,446 |
| **Plant & Equipment** | | | |
| Equipment at Cost | | 279,631 | 270,185 |
| Less: Accumulated Depreciation | | (160,640) | (134,750) |
| | | 118,991 | 135,435 |
| **Furniture & Fittings** | | | |
| Furniture at Cost | | 244,484 | 221,101 |
| Less: Accumulated Depreciation | | (146,784) | (126,239) |
| | | 97,700 | 94,862 |
| **Greens & Surrounds** | | | |
| Greens at Cost | | 31,865 | 29,507 |
| Less: Accumulated Depreciation | | (20,931) | (17,794) |
| | | 10,934 | 11,713 |
| **Poker Machines** | | | |
| Poker Machines at Cost | | 45,940 | 37,450 |
| Less: Accumulated Depreciation | | (25,615) | (14,215) |
| | | 20,325 | 23,235 |
| **Total** | | 4,119,006 | 4,100,691 |

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

### Movement in Carrying Amounts

| 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 |

| 2018 | Furniture & Fittings | Clubhouse | Plant & Equipment | Greens & Surrounds | Poker Machines | Total |
|---|---|---|---|---|---|---|
| Net Book Value Brought Forward | 94,862 | 235,446 | 135,435 | 11,713 | 23,235 | 500,691 |
| Additions ( Disposals) | 23,383 | 42,043 | 9,446 | 2,358 | 8,489 | 85,719 |
| Depreciation Expense | (20,545) | (6,433) | (25,890) | (3,137) | (11,399) | (67,404) |
| Impairment Adjustments | - | - | - | - | - | - |
| **Carrying amount at end of year** | 97,700 | 271,056 | 118,991 | 10,934 | 20,325 | 519,006 |

| | NOTE | 2018 $ | 2017 $ |
|---|---|---|---|
| **NOTE 10: PAYABLES - CURRENT** | | | |
| Trade Creditors | | 79,404 | 35,861 |
| Other Creditors | | 16,901 | 11,293 |
| Audit Fees | | 6,500 | 6,500 |
| Other Payroll Liabilities | | 9,544 | 9,297 |
| | | 112,349 | 62,951 |
| **NOTE 11: BORROWINGS** | | | |
| Current | | - | - |
| Non-current | | 340,000 | 260,000 |
| **NOTE 12: TAXES** | | | |
| GST Liability | | 32,939 | 13,122 |
| PAYG Withholding tax due | | 35,557 | 12,532 |
| | | 68,496 | 25,654 |
| **NOTE 13: PROVISIONS - CURRENT** | | | |
| Provision for Annual Leave | | 1,039 | 1,893 |

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.

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 | 2018 $ | 2017 $ |
|---|---|---|---|
| **NOTE 14: OTHER LIABILITIES (CURRENT)** | | | |
| Subscriptions in Advance | | - | 832 |
| Function Deposits | | - | 1,500 |
| | | 0 | 2,332 |

## 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 2018, the number of members was 1,336 - $13,360 (2017 - $1,171).

| | NOTE | 2018 $ | 2017 $ |
|---|---|---|---|
| **NOTE 17: CAPITAL AND LEASING COMMITMENTS** | | | |
| (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 30th June, 2018 the Club had no Contingent liabilities. | NIL | NIL |

| | NOTE | 2018 $ | 2017 $ |
|---|---|---|---|
| **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 | 2018 $ | 2017 $ |
|---|---|---|---|
| **Financial Assets** | | | |
| Cash on Hand | 6 | 183,820 | 89,849 |
| Accounts receivables and other debtors | 7 | 9,161 | 6,859 |
| | | 192,981 | 96,708 |
| **Financial Liabilities** | | | |
| Financial liabilities at amortised cost | | | |
| - Accounts Payable and other payables | 10 | 112,349 | 62,951 |
| - Taxes Payable | 12 | 68,496 | 25,654 |
| - Borrowings | 11 | 340,000 | 260,000 |
| | | 520,845 | 348,605 |

**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.

**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** | |
|---|---|---|---|---|---|---|---|---|
| | **2018 $** | **2017 $** | **2018 $** | **2017 $** | **2018 $** | **2017 $** | **2018 $** | **2017 $** |
| **Financial Liabilities Due for Payment** | | | | | | | | |
| Unsecured Notes | - | - | 340,000 | 260,000 | - | - | 340,000 | 260,000 |
| Lease Liabilities | - | - | - | - | - | - | | - |
| Trade and Other Payables (excluding estimated Annual Leave and Deferred Income) | 180,845 | 88,605 | - | - | - | - | 180,845 | 88,605 |
| Total Expected Outflows | 180,845 | 88,605 | 340,000 | 260,000 | - | - | 520,845 | 348,605 |

***Financial liability and financial asset maturity analysis***

| | **Within 1 Year** | | **1 - 5 Years** | | **Over 5 Years** | | **Total Contractual** | |
|---|---|---|---|---|---|---|---|---|
| | **2018 $** | **2017 $** | **2018 $** | **2017 $** | **2018 $** | **2017 $** | **2018 $** | **2017 $** |
| **Financial Assets - Cash Flows Realisable** | | | | | | | | |
| Cash on Hand | 183,821 | 89,849 | - | - | - | - | 183,821 | 89,849 |
| Trade Term and Loans Receivables | 9,161 | 6,862 | - | - | - | - | 9,161 | 6,862 |
| Total Anticipated Inflows | 192,982 | 96,711 | - | - | - | - | 192,982 | 96,711 |
| Net (Outflow) Inflow on Financial Instruments | 12,137 | 8,106 | (340,000) | (260,000) | - | - | (327,863) | (251,894) |

**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 2017 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 | 2018 | 2017 |
|---|---|---|---|
| | | $ | $ |
| Cash and Cash Equivalents | 6 | 183,821 | 89,849 |

**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.

| | | 2018 | | 2017 | |
|---|---|---|---|---|---|
| | Footnote | Carrying | Value | Carrying | Value |
| **Financial assets** | | | | | |
| Cash on Hand | (i) | 183,821 | 183,821 | 89,849 | 89,849 |
| Accounts receivables & other Debtors | (i) | 9,161 | 9,161 | 6,862 | 6,862 |
| Total financial assets | | 192,982 | 192,982 | 96,711 | 96,711 |
| **Financial liabilities** | | | | | |
| Accounts Payables and other payables | (i) | 180,845 | 180,845 | 88,605 | 88,605 |
| Total financial liabilities | | 180,845 | 180,845 | 88,605 | 8,106 |

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

(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 2017, $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 sensitives assume that the movement in a particular variable is independent of other variables.

| **Year Ended 30 June 2017** | **Profit** | **Equity** |
|---|---|---|
| | **$** | **$** |
| ± 2% in interest rates | ± 961 | ± 961 |

| **Year Ended 30 June 2018** | **Profit** | **Equity** |
|---|---|---|
| | **$** | **$** |
| ± 2% in interest rates | ± 43 | ± 43 |

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 Bradleys Head Road, Mosman and the leased childcare centre at 72 Bradleys Head Road, Mosman.

The Club has no non-core property

## 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, 2018 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
**Chairman**

Janine Mountain
**Director**

Dated 30th October 2018

**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 2018 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 2018
- 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 polices
- 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

## Independence

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 usingthe going concern basis of accounting unless the directors either intend to liquidate to the CLUB or to cease operations, or have no realistice 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 influnce 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 2018 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

**ROBERTS NISSEN**

PMeldrum

P M MELDRUM Sydney 30 October 2018

Partner

# MEMBERS INFORMATION SHEET - SUMMARY

**Warringah Bowling Club Ltd - reporting period 30/06/2018**

## 1 DISCLOSURE OF INTERESTS IN CONTRACTS

The Accountability Code requires directors with any material personal interest in a matter relating to the affairs of the club, and directors or top executives with any personal or financial interest in a contract relating to the procurement of good/services or any major capital works of the club, to disclose it to the club within 21 days of becoming aware of the matter.

| | | |
|---|---|---|
| 1.1 | In the reporting period, the number of occassions *directors* disclosed a material personal interest in matters relating to the affairs of the club was: | 0 |
| 1.2 | In the reporting period, the number of occassions *directors* disclosed a personal or financial interest in contracts relating to procurement of goods/services or major capital works of the club was: | 0 |
| 1.3 | In the reporting period, the number of occassions *top executives* disclosed a personal or financial interest in contracts relating to procurement of goods/services or major capital works of the club was: | 0 |

## 2 DISCLOSURE OF INTERESTS IN HOTELS

The Accountability Code requires directors or top executives with any financial interest in a hotel situated within 40km of the club's premises to disclose it to the club within 21 days of becoming aware of the matter.

| | | |
|---|---|---|
| 2.1 | In the reporting period, the number of occassions *directors* disclosed a financial interest in a hotel within 40km of the club's premises was: | 0 |
| 2.2 | In the reporting period, the number of occassions *top executives* disclosed a financial interest in a hotel within 40km of the club's premises was: | 0 |

## 3 DISCLOSURE OF GIFTS OR REMUNERATION RECEIVED

The Accountability Code requires directors, top executives or employees, who receive any gift valued at $1,000 ore more or any remuneration of an amount of $1,000 or more from an affiliated body or a person/body who has entered into a contract with the club.

An affiliated body of the club includes subsidiary clubs, and any body which the club made a grant to within the previous 12 months. A gift includes money, hospitality or discounts. Remuneration includes any fee for service.

| | | |
|---|---|---|
| 3.1 | In the reporting period, the number of occassions *directors* disclosed receiving gifts or remuneration from affliated bodies or those contracting with the club was: | 0 |
| 3.2 | In the reporting period, the number of occassions *top executives* disclosed receiving gifts or remuneration from affliated bodies or those contracting with the club was: | 0 |
| 3.3 | In the reporting period, the number of occassions where *employees* disclosed receiving gifts from affliated bodies or those contracting with the club was: | 0 |

3.4 The total value of all gifts or remuneration received by *directors, top executives and employees* from affiliated bodies or those contracting with the club in the reporting period is: $0

**4 OVERSEAS TRAVEL**

4.1 The total costs the club incurred for overseas travel of directors and employees in the reporting period wa $0

4.2 Which included the following instances.

| Name | Position | Destination | Travel Purpose | Costs paid by club |
|---|---|---|---|---|

**5 STAFF LOANS**

5.1 In the reporting period, the club made the following loans to employees, totalling $0

| Loan Amount | Date of loan | Interest Rate | Term of Loan |
|---|---|---|---|

**6 TOP EXECUTIVE CONTRACTS OF EMPLOYMENT**

6.1 During the reporting period the Board approved the following number of contracts relating to the remuneration of the club's top executives: 0

**7 PAYMENTS TO CONSULTANTS**

7.1 During the reporting period, the number of instances the club engaged a consultant was: 0

7.2 The total costs paid by the club to consultants in the reporting period was: $0

7.3 Which included the following instances when consultants were paid $30,000 or more.

| Consultant | Nature of Consultancy | ($) Amount |
|---|---|---|

**8 LEGAL SETTLEMENTS**

8.1 In the reporting period, the club made the following number of legal settlements with a director or employee:

8.1.1 With a director of the club: 0

8.1.2 With a club employee: 0

8.2 The total value of all legal settlements was: $0

8.3 The total legal costs paid by the club for such settlements was: $0

**9 LEGAL FEES PAID BY THE CLUB**

9.1 In the reporting period, the number of instances the club paid legal fees for directors and employees was:

9.1.1 Within this, the number of instances for directors was: 0

9.1.2 Within this, the number of instances for employees was: 0

9.2 In the reporting period, the total legal fees the club paid for directors and employees was: $0

**10 CLUBGRANTS SCHEME**

Clubs earning in excess of $1,000,000 p.a. in gaming machine profit can apply part of such profit to Clubgrants paid to the community.

10.1 In the reporting period, the amount allocated by the club to community development and support under the ClubsGRANTS scheme was: $0

**11 GAMING MACHINE PROFIT**

11.1 In the most recent gaming machine tax period, the total profit from gaming machines was: $44,016