

Scotts Head Bowling and Recreation Club Ltd

Financial Statements

For the Year Ended 30 June 2015

Scotts Head Bowling and Recreation Club Ltd

Contents

For the Year Ended 30 June 2015

	Page
Financial Statements	
Auditors Independence Declaration under Section 307C of the Corporations Act 2001	1
Statement of Profit or Loss and Other Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
Directors' Declaration	20

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 To the Directors of Scotts Head Bowling and Recreation Club Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Hooykaas Lawry Valjan

Peter S. Lawry
Partner

Macksville, NSW

22nd September 2015

Scotts Head Bowling and Recreation Club Ltd

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2015

	2015	2014
Note	\$	\$
Income		
Bar Revenue	707,901	706,478
Bistro Revenue	460,936	433,243
Poker Machine Revenue	414,307	409,571
Keno Revenue	13,425	13,886
Commission	35,715	31,849
Sub-Club Revenue	49,487	55,899
Green Fees	19,042	23,528
Member Subscriptions	9,216	12,712
Raffles & Bingo	64,178	71,198
Interest	329	83
Gain on Disposal of Assets	-	26,500
Gaming Tax Rebate	17,180	17,180
Other income	10,859	3,701
Total Income	1,802,575	1,805,828
Expenses		
Cost of Goods Sold - Bar	(313,676)	(328,508)
Cost of Goods Sold - Bistro	(210,850)	(193,183)
Employee benefits expense	(704,109)	(663,827)
Finance costs	(9,613)	(10,563)
Depreciation and amortisation expense	(83,999)	(129,222)
Repairs & Maintenance	(88,389)	(104,898)
Sub-Club Expenses	(40,282)	(40,474)
Raffle & Bingo Expenses	(72,000)	(72,861)
Entertainment & Promotions	(76,778)	(76,925)
Audit & Legal Expense	(13,020)	(12,600)
Loss on Disposal of Asset	-	(3,860)
Other operating expenses	17 (208,659)	(221,184)
Total Expenses	(1,821,375)	(1,858,105)
Profit/(Loss) before income tax	(18,800)	(52,277)
Income tax expense	1(j) -	-
Profit/(Loss) for the year	(18,800)	(52,277)
Other comprehensive income for the year	-	-
Total comprehensive income/(loss) for the year	(18,800)	(52,277)

The accompanying notes form part of these financial statements.

Statement of Financial Position

30 June 2015

	2015	2014
Note	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	86,588	74,368
Trade and other receivables	12,898	2,935
Inventories	48,181	40,377
Other assets	3,802	7,982
	<u>151,469</u>	<u>125,662</u>
TOTAL CURRENT ASSETS		
NON-CURRENT ASSETS		
Financial assets	55	55
Property, plant and equipment	1,603,073	1,663,138
	<u>1,603,128</u>	<u>1,663,193</u>
TOTAL NON-CURRENT ASSETS		
	<u>1,754,597</u>	<u>1,788,855</u>
TOTAL ASSETS		
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	111,113	116,942
Borrowings	19,155	4,956
Provision for Employee benefits	18,186	9,823
Deferred Income	9,385	12,179
	<u>157,839</u>	<u>143,900</u>
TOTAL CURRENT LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	93,158	115,044
Provision for Employee benefits	5,114	12,623
	<u>98,272</u>	<u>127,667</u>
TOTAL NON-CURRENT LIABILITIES		
	<u>256,111</u>	<u>271,567</u>
TOTAL LIABILITIES		
	<u>1,498,486</u>	<u>1,517,288</u>
NET ASSETS		
EQUITY		
Reserves	922,947	922,947
Retained earnings	575,539	594,339
	<u>1,498,486</u>	<u>1,517,286</u>
TOTAL EQUITY		

The accompanying notes form part of these financial statements.

Scotts Head Bowling and Recreation Club Ltd

Statement of Changes in Equity

For the Year Ended 30 June 2015

2015

	Retained Earnings	Asset Realisation Reserve	Total
	\$	\$	\$
Balance at 1 July 2014	594,339	922,947	1,517,286
Profit/ (Loss) for the year	(18,800)	-	(18,800)
Balance at 30 June 2015	575,539	922,947	1,498,486

2014

	Retained Earnings	Asset Realisation Reserve	Total
	\$	\$	\$
Balance at 1 July 2013	646,616	922,947	1,569,563
Profit/ (Loss) for the year	(52,277)	-	(52,277)
Balance at 30 June 2014	594,339	922,947	1,517,286

The accompanying notes form part of these financial statements.

Scotts Head Bowling and Recreation Club Ltd

Statement of Cash Flows

For the Year Ended 30 June 2015

	2015	2014
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 1,976,779	\$ 1,951,970
Payments to suppliers and employees	(1,914,513)	(1,919,702)
Interest received	(10,653)	(10,598)
Interest paid	329	83
Net cash provided by/(used in) operating activities	14 <u>51,942</u>	<u>21,753</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	26,500
Purchase of property, plant and equipment	<u>(32,035)</u>	<u>(33,496)</u>
Net cash used by investing activities	<u>(32,035)</u>	<u>(6,996)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of finance lease liabilities	<u>(7,687)</u>	<u>(9,372)</u>
Net cash used by financing activities	<u>(7,687)</u>	<u>(9,372)</u>
Net increase/(decrease) in cash and cash equivalents held	12,220	5,385
Cash and cash equivalents at beginning of year	<u>74,368</u>	<u>68,983</u>
Cash and cash equivalents at end of financial year	<u>\$ 86,588</u>	<u>\$ 74,368</u>

The accompanying notes form part of these financial statements.

Scotts Head Bowling and Recreation Club Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2015

The financial report covers Scotts Head Bowling and Recreation Club Ltd as an individual entity. Scotts Head Bowling and Recreation Club Ltd is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Scotts Head Bowling and Recreation Club Ltd is Australian dollars.

The financial report was authorised for issue by the Directors on .

Comparatives are consistent with prior years, unless otherwise stated.

The financial statements are for Scotts Head Bowling and Recreation Club Ltd as a not-for-profit individual entity.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are a general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

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

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets.

(b) Comparative figures

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

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses

Scotts Head Bowling and Recreation Club Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

(d) Property, plant and equipment

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

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, 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 their own valuations to ensure the carrying amount of 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 credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against this reserve directly in equity; all other decreases are charged to the statement of profit or loss and other comprehensive income.

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 less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

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

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and Equipment	3 - 40%

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

(ii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(e) Financial Instruments continued

Derecognition

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

(f) Impairment of non-financial assets

At the end of each reporting year, the Company reviews the carrying values of its tangible and intangible 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. Value in use is either the discounted cash flows relating to the asset or depreciated replacement cost if the criteria in AASB 136 'Impairment of Assets' are met. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited 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 same class of asset.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(h) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting year. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the value of the estimated future cash outflows to be made for those benefits. In determining the liability consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are not discounted as the effect of discount is not considered material.

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

(i) Trade and other payables

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

(j) Income tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(k) Leases

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

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

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

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(l) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Sale of goods

Revenue from the sale of goods is recognised at the point of delivery.

Interest revenue

Interest revenue is recognised on an accruals basis in the period in which the interest is earned.

Provision of services

Revenue recognition relating to the provision of services is recognised upon delivery of the service to the customers.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

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

(m) Goods and Services Tax (GST)

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

(n) Critical accounting estimates and judgments

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

(i) Adoption of new and revised accounting standards

During the current year, the following standards became mandatory and have been adopted retrospectively by the Company:

- AASB 13 *Fair Value Measurement*
- AASB 119 *Employee Benefits*
- AASB 2012-2 *Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities*

The accounting policies have been updated to reflect changes in the recognition and measurement of assets, liabilities, income and expenses and the impact of adoption of these standards is discussed below.

AASB 13 *Fair Value Measurement* does not change what and when assets or liabilities are recorded at fair value. It provides guidance on how to measure assets and liabilities at fair value, including the concept of highest and best use for non-financial assets. AASB 13 has not changed the fair value measurement basis for any assets or liabilities held at fair value, however additional disclosures on the methodology and fair value hierarchy have been included in the financial statements.

AASB 119 *Employee benefits* changes the basis for determining the income or expense relating to defined benefit plans and introduces revised definitions for short-term employee benefits and termination benefits.

The Company reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period. Whilst this has been considered to be a long-term employee benefits for the purpose of measuring the leave under AASB 119, the effect of discounting was not considered to be material and therefore has not been performed.

In accordance with the transition provisions in the standard, the comparative figures have been restated, where applicable.

Scotts Head Bowling and Recreation Club Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2015

2 Property, Plant and Equipment

	2015	2014
	\$	\$
Land and Buildings		
Freehold land		
At directors' valuation	545,000	545,000
Total Land	<u>545,000</u>	<u>545,000</u>
Building and Greens		
At directors' valuation	1,505,429	1,497,337
Accumulated depreciation	(621,011)	(584,007)
Total buildings and greens	<u>884,418</u>	<u>913,330</u>
Total land and buildings	<u>1,429,418</u>	<u>1,458,330</u>
Plant and equipment		
At cost	1,029,644	1,000,702
Accumulated depreciation	(859,229)	(801,030)
Total plant and equipment	<u>170,415</u>	<u>199,672</u>
Furniture, fixture and fittings		
At cost	267,428	267,428
Accumulated depreciation	(264,188)	(262,293)
Total furniture, fixture and fittings	<u>3,240</u>	<u>5,135</u>
Total plant and equipment	<u>173,655</u>	<u>204,807</u>
Total property, plant and equipment	<u>1,603,073</u>	<u>1,663,137</u>

The Company's land and buildings and greens were revalued at 1 July 1985 by independent valuers. The valuation resulted in a revaluation surplus of \$922,947 that was credited to an asset revaluation reserve in equity.

The 2015 valuation was performed by the Directors. Valuations were made on the basis of open market value in an arms length transaction based on similar properties. The directors have reviewed the key assumptions adopted by the valuers, available sales data and valuer general information and believe that the total carrying value of the land, buildings and greens correctly reflects the fair value less cost to sell at 30 June 2015.

Scotts Head Bowling and Recreation Club Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2015

Movements in Carrying Amounts

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

	Land \$	Buildings \$	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Total \$
Balance at 30 June 2012					
Balance at the beginning of year	545,000	913,330	199,672	5,135	1,663,137
Additions	-	8,092	15,841	-	23,933
Depreciation expense	-	(37,004)	(45,098)	(1,895)	(83,997)
Balance at 30 June 2015	545,000	884,418	170,415	3,240	1,603,073

3 Other Assets

	2015 \$	2014 \$
CURRENT		
Prepayments	3,802	7,982

4 Trade and Other Payables

	2015 \$	2014 \$
CURRENT		
Trade payables	44,040	52,376
Accrued expenses	5,158	14,909
ATO Liabilities	22,532	22,252
Accrued Annual Leave	36,679	24,868
Affiliation Payable	2,704	2,536
	111,113	116,941

Scotts Head Bowling and Recreation Club Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2015

(a) Financial liabilities at amortised cost classified as trade and other payables:

	2015	2014
	\$	\$
Trade and other payables:		
- total current	111,113	116,942
Less:		
annual leave entitlements	(36,679)	(24,868)
Financial liabilities as trade and other payables	12 <u>74,434</u>	<u>92,074</u>

5 Borrowings

	2015	2014
	\$	\$
CURRENT		
Secured liabilities:		
Bank loans	19,155	4,956
Total current borrowings	<u>19,155</u>	<u>4,956</u>
	2015	2014
	\$	\$
NON-CURRENT		
Secured liabilities:		
Bank loans	93,158	115,044
Total non-current borrowings	<u>93,158</u>	<u>115,044</u>

The Commonwealth Bank of Australia Ltd holds a registered first mortgage and a registered equitable first mortgage over the assets of the Club. These mortgages secure the following borrowings by the Club and bank guarantees provided as listed below:

- (i) A BetterBusiness Variable rate loan for \$120,000 with a ten year term commencing in March 2013. The terms of the loan require interest only payments for the first 24 months reverting to principal and interest for the remainder of the term. The balance at report date was \$112,313.
- (ii) An overdraft facility with a limit of \$50,000.
- (iii) A corporate credit card with a limit of \$5,000.
- (iv) Bank guarantees totalling \$15,000.

Scotts Head Bowling and Recreation Club Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2015

6 Income in Advance

	2015	2014
	\$	\$
Subscriptions in advance	8,185	10,516
WBC Carnival Income in advance	1,200	1,664
	<u>9,385</u>	<u>12,180</u>

7 Employee Benefits

	2015	2014
	\$	\$
Current liabilities		
Long service leave	18,186	9,823
	<u>2015</u>	<u>2014</u>
	\$	\$
Non-current liabilities		
Long service leave	5,114	12,623

Reconciliation of amounts in the statement of financial position

	2015	2014
	\$	\$
Beginning of the year	22,446	42,587
Change in Provision during the year	2,155	1,246
Benefits paid	(1,301)	(21,387)
End of year	<u>23,300</u>	<u>22,446</u>

8 Leasing Commitments

(a) Operating leases

	2015	2014
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	5,418	3,697
- between one year and five years	13,204	617
	<u>18,622</u>	<u>4,314</u>

In August 2011, the Club entered into a lease agreement to rent a Mutliscreen Communication System for a term of 48 months. In April 2015 the Multiscreen Equipment was upgraded under a new agreement for a term of 48 months. No capital commitment exists in regards to this lease at expiration.

Scotts Head Bowling and Recreation Club Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2015

9 Financial Risk Management

The main risks Scotts Head Bowling and Recreation Club Ltd is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and equity price risk.

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bank loans and overdrafts, loans to and from subsidiaries, bills, leases, preference shares, and derivatives.

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:

	2015	2014
	\$	\$
Financial Assets		
Cash and cash equivalents	86,588	74,368
- unlisted investments	55	55
Total available-for-sale financial assets	<u>55</u>	<u>55</u>
Total financial assets	<u>86,643</u>	<u>74,423</u>
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	74,434	92,074
- Borrowings	112,313	120,000
Total financial liabilities	<u>186,747</u>	<u>212,074</u>

Credit risk

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

10 Members' Guarantee

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 \$ 2 each towards meeting any outstandings and obligations of the Company. At 30 June 2015 the number of members was 955 (2014: 1,067).

11 Interests of Key Management Personnel

The total remuneration paid to key management personnel of the Company is \$ 154,653 (2014: \$ 237,460).

Scotts Head Bowling and Recreation Club Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2015

12 Contingent Liabilities and Contingent Assets

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2015 (30 June 2014:None).

13 Related Party Transactions

During the financial year no Director has received benefits by reason of a contract between Club and a Director, or business entity in which a Director had a financial interest, with the exception of Shirley Whatmough, who receives a reimbursement for travelling costs in attending bingo.

14 Cash Flow Information

(a) Reconciliation of result for the year to cash flows from operating activities:

	2015	2014
	\$	\$
Loss for the year	(18,800)	(52,277)
Cash flows excluded from profit attributable to operating activities		
Non-Cash flows in profit/ (loss)		
- depreciation	83,999	129,222
- net (gain)/ loss on disposal of property, plant and equipment	-	(22,640)
Changes in Assets and Liabilities		
- (increase)/decrease in trade & other receivables	(8,963)	(287)
- (increase)/decrease in prepayments	3,180	3,512
- (increase)/decrease in inventories	(7,804)	(6,006)
- increase/(decrease) in income in advance	(2,795)	(2,878)
- increase/(decrease) in trade and other payables	(9,537)	(6,754)
- increase/(decrease) in employee benefits	12,664	(20,141)
Cash flow from operations	<u>51,944</u>	<u>21,751</u>

15 Reserves

(a) Asset revaluation reserve

The asset revaluation reserve records unrealised gains on revaluation of land and buildings recorded at fair value.

Scotts Head Bowling and Recreation Club Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2015

16 Events after Report Date

The financial report was authorised for issue on 22 September 2015 by the Board of Directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

17 Other Expenses

	2015	2014
	\$	\$
Administration and management fees	939	1,138
Advertising	4,635	4,251
Bank charges	4,399	3,124
Cleaning	737	4,705
Computer expenses	2,481	2,101
Donations	1,695	1,153
Electricity and water	63,496	70,828
Equipment purchases (small)	4,527	
Insurance	29,981	29,152
Medical supplies	354	577
Equipment Rental	9,124	8,193
Permits, licenses and fees	211	175
Poker Machine CMS Payment	9,750	10,751
Poker Machine Meter Variation		-553
Postage	2,001	1,989
Printing and stationery	5,924	8,331
Rates and taxes	16,010	18,425
Registration fees	4,285	2,989
Security costs	29,295	34,566
Staff amenities	1,242	65
Subscriptions	7,193	4,496
Sundry expenses	3,187	6,851
Telephone and fax	6,328	7,013
Uniforms	864	864
Total Other Expenses	208,658	221,184

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 2 to 19, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director Director

Dated this day of 2015