

LITHGOW CITY BOWLING CLUB LIMITED
ABN: 50 001 040 348

Financial Statements Including Audit Report

For the year ended 30 June 2014

Lithgow City Bowling Club Limited

A.B.N 50 001 040 348

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For the Year Ended 30 June 2014

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Directors' Report

30 June 2014

The directors present their report on Lithgow City Bowling Club Limited for the financial year ended 30 June 2014.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Robert Ritchie

Qualifications and Experience "Director Foundation & Management", "Finance for Club Boards"

Period as Director 10 Years

Special Responsibilities President / Chairman

David Benjamin

Qualifications and Experience Retired

Period as Director 6 Years

Special Responsibilities Vice President

Michael Brown

Qualifications and Experience Accountant. Business Operator

Period as Director 4 Years, 3 Months

Special Responsibilities Treasurer

Julie Hughan

Qualifications and Experience Business Operator

Period as Director 6 Years

Special Responsibilities Director / Bingo Co-ordinator

Warren Wade

Qualifications and Experience Retired

Period as Director 9 Years

Special Responsibilities Director

John Sandona

Qualifications and Experience Mining Development Manager

Period as Director 3 Years, 6 Months

Special Responsibilities Director

Additional Information Resigned from the Board as a Director on the 29th of January 2014 due to work commitments in Queensland

Janne Gordon

Qualifications and Experience Business Operator

Period as Director 2 Years

Special Responsibilities Director / Bingo Co-ordinator

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

Directors' Report

30 June 2014

Principal activities

The principal activity of Lithgow City Bowling Club Limited during the financial year was to operate as a Registered Club to provide facilities for Members and the wider community. Also to provide bowling facilities for the Members as well as to assist other local sporting groups in their chosen endeavours by way of sponsorship.

No significant changes in the nature of the Company's activity occurred during the financial year.

Short term objectives

The Company's short term objectives are to:

- Acquire the eight outstanding poker machine entitlements for the Club and the additional eight machines to go with them.
- Continue to improve the Club buildings including the Bistro and Main Kitchen.
- Improve the signage located at the Club's entrance.

Long term objectives

The Company's long term objectives are to:

- Undergo a major reconstruction of the Bar Area, Cool Room Area and Cellars.

Strategy for achieving the objectives

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

- The refinancing of the Club's current Loan
- Increasing patronage at the Club to improve trading by the promotion of the Member Loyalty Point System.
- Promoting the Club at every opportunity emphasising the improvements to the Club facilities.
- Maintain a stable Board of Directors and Staff members who will have a long term focus on the goals of the Club.
- Seek opportunities to assist in community activities by the use of the Club facilities.
- Continue to closely monitor the Club's trade and make adjustments when required.
- Make best use of the location of the Club to attract new Members and visitors to use the Club facilities.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- Completing the purchase of new poker machine entitlements before they expire which will allow a broadening of the Club's gaming area. Any increases in revenue generated by this expansion can then be channelled into other Club services which are provided to Members and guests of the Club.

Directors' Report

30 June 2014

How principal activities assisted in achieving the objectives continued

- The assistance of the Club's Bowling sub-bodies, the Club will be able to provide good quality greens which the Club hopes will attract more visitors and allow additional tournaments to be conducted in the future.
- The usage of the Club facilities by the Local Senior Citizens group will also help to spread the name and reputation of the Club to a wider population as well as providing them with a warm and friendly place to hold their activities.

Performance measures

The following measures are used within the Company to monitor performance:

- Stable staff compliment
- Increase in Membership base
- Attainment of full poker machine entitlements
- Increase in the cash flow of the Club

Members guarantee

Lithgow City Bowling Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up is limited to \$ 10 for members.

At 30 June 2014 the collective liability of members was \$ 13,560 (2013: \$ 15,160).

(a) Membership Details Breakdown

	Number of Members	Individual Members Contribution on Winding Up of the Company \$	Total Members Contribution on Winding Up of the Company \$
Membership Details			
Bowling Members Men	114	10	1,140
Bowling Members Women	30	10	300
Junior Bowlers	3	10	30
Multi Members	3	10	30
Non Bowlers	1,206	10	12,060
Life Members	7	-	-
Total	1,363	-	13,560

Directors' Report

30 June 2014

2. Operating results and review of operations for the year

Operating results

The profit of the Company amounted to \$ 117,893 (2013: \$ 4,054). due to improved revenue from trade and gaming and the capitalisation of assets purchased during the year.

3. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Matters or circumstances arising after the end of the year

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

Meetings of directors

During the financial year, 14 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Robert Ritchie	14	14
David Benjamin	14	11
Michael Brown	14	13
Julie Hughan	14	14
Warren Wade	14	11
John Sandona	7	1
Janne Gordon	14	14

Lithgow City Bowling Club Limited

A.B.N 60 601 040 348

Directors' Report

30 June 2014

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2014 has been received and can be found on page 6 of the financial report.

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

Director: 
Robert Ritchie

Director: 
Michael Brown

Dated this 15th day of August 2014

Lithgow City Bowling Club Limited
A.B.N 50 001 040 348

Dubbo Office
2 Commercial Avenue
Dubbo NSW 2830 Australia
PO Box 654
Dubbo NSW 2830 Australia
Tel 02 6883 5600
Fax 02 6884 2242

**Auditors Independence Declaration under
Section 307C of the Corporations Act 2001
To the Directors of Lithgow City Bowling Club Limited**

Bathurst Office
157 George Street
Bathurst NSW 2795 Australia
PO Box 684
Bathurst NSW 2795 Australia
Tel 02 6330 2200
Fax 02 6330 2299
www.crowehorwath.com.au

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014, 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.

CROWE HORWATH CENTRAL WEST



**Clare Wagner
Audit Partner**

Registered Company Auditor 335972

Dated: 19 August 2014

Lithgow City Bowling Club Limited

A.B.N 50 001 040 348

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2014

		2014	2013
	Note	\$	\$
Revenue	3	1,404,114	1,282,612
Cost of Sales		<u>(292,992)</u>	<u>(298,199)</u>
Gross Profit		1,111,122	984,413
Employee Benefits Expense	4	(491,331)	(471,609)
Depreciation and Amortisation Expense		(60,328)	(59,637)
Administration Expenses		(128,071)	(114,369)
Finance Costs		(18,409)	(22,060)
Advertising and Promotion		(70,456)	(76,545)
Greens Maintenance		(31,429)	(39,447)
Other Expenses		<u>(193,207)</u>	<u>(196,692)</u>
Profit for the year		<u>117,893</u>	<u>4,054</u>
Total comprehensive income for the year		<u>117,893</u>	<u>4,054</u>

The accompanying notes form part of these financial statements.

Lithgow City Bowling Club Limited

A.B.N 50 001 040 348

Statement of Financial Position

30 June 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	302,139	214,261
Trade and other receivables	5	6,467	2,762
Inventories	6	21,221	20,682
Other assets	8	4,335	6,508
TOTAL CURRENT ASSETS		<u>334,162</u>	<u>244,213</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	3,828,435	3,592,526
TOTAL NON-CURRENT ASSETS		<u>3,828,435</u>	<u>3,592,526</u>
TOTAL ASSETS		<u>4,162,597</u>	<u>3,836,739</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	135,471	102,823
Short-term provisions	10	30,061	25,142
Other liabilities	11	16,002	17,886
TOTAL CURRENT LIABILITIES		<u>181,534</u>	<u>145,851</u>
NON-CURRENT LIABILITIES			
Long-term provisions	10	35,138	27,126
Other liabilities	11	416,689	252,419
TOTAL NON-CURRENT LIABILITIES		<u>451,827</u>	<u>279,545</u>
TOTAL LIABILITIES		<u>633,361</u>	<u>425,396</u>
NET ASSETS		<u>3,529,236</u>	<u>3,411,343</u>
EQUITY			
Reserves		2,258,522	2,258,522
Retained earnings		1,270,714	1,152,821
TOTAL EQUITY		<u>3,529,236</u>	<u>3,411,343</u>

The accompanying notes form part of these financial statements.

Lithgow City Bowling Club Limited

A.B.N 50 001 040 348

Statement Equity

For the Year Ended 30 June 2014

2014

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2013	1,152,821	2,258,522	3,411,343
Profit or loss for the year	117,893	-	117,893
Balance at 30 June 2014	1,270,714	2,258,522	3,529,236

2013

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2012	1,148,767	2,258,522	3,407,289
Profit or loss for the year	4,054	-	4,054
Balance at 30 June 2013	1,152,821	2,258,522	3,411,343

The accompanying notes form part of these financial statements.

Lithgow City Bowling Club Limited

A.B.N 50 001 040 348

Statement of Cash Flows

For the Year Ended 30 June 2014

	2014	2013
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,367,169	1,279,136
Payments to suppliers and employees	(1,165,861)	(1,182,840)
Interest received	3,290	3,476
Interest paid	(18,409)	(22,060)
Net cash provided by (used in) operating activities	<u>186,189</u>	<u>77,712</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	34,330	-
Purchase of property, plant and equipment	(296,912)	(138,897)
Net cash used by investing activities	<u>(262,582)</u>	<u>(138,897)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Loan	164,271	-
Repayment of borrowings	-	(30,663)
Net cash used by financing activities	<u>164,271</u>	<u>(30,663)</u>
Net increase (decrease) in cash and cash equivalents held	87,878	(91,848)
Cash and cash equivalents at beginning of year	<u>214,261</u>	<u>306,109</u>
Cash and cash equivalents at end of financial year	<u>2</u> <u>302,139</u>	<u>214,261</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2014

The financial report covers Lithgow City Bowling Club Limited as an individual entity. Lithgow City Bowling Club Limited is a not-for-profit Company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of Lithgow City Bowling Club Limited is Australian dollars.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

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

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, financial assets and financial liabilities.

(b) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

(c) 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*.

(d) 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.

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 that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

(e) 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 entity 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.

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

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

(f) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the individual item basis and are net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(h) Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model is carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Due to the changes in AASB 13 Fair Value Measurement and the additional guidance on how to measure assets and liabilities at fair value, including the concept of highest and best use for non-financial asset the Club has determined to revalue the Land, Buildings and Improvements class of Assets. Due to works in progress at the Club and pending changes to the Local Council determined zoning classification this was unable to be performed prior to 30 June 2014.

Land, Buildings and Improvements have been valued in 2007 and subsequently confirmed by the Directors as being at Fair Value totalling \$3,368,794 for the year ended 30 June 2014. Directors have confirmed that a valuation will be prepared by registered valuer in the 2015 financial year which will be subsequently updated in the 30 June 2015 Financial Statements.

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(h) Property, Plant and Equipment continued

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight-line method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	6 - 33.3 %
Furniture and Fittings	10 - 20 %
Office Equipment	20 - 33.3 %
Poker Machines	15 - 20 %
Bowling Greens	20 %

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

(i) Financial instruments

(i) Initial recognition and measurement

Financial instruments are recognised initially using trade date accounting, i.e. on the date that Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and most other receivables fall into this category of financial instruments.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the income statement line items "finance costs" or "finance income".

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Company uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

(j) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(k) 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.

(l) Provisions

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

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

(m) Critical accounting estimates and judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The directors have not made any significant estimates during the reporting period this year.

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(n) 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*

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 are 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.

Notes to the Financial Statements

For the Year Ended 30 June 2014

2 Cash and cash equivalents

	2014	2013
	\$	\$
Cash on hand	40,000	40,000
Cash at bank	262,139	174,261
Cash at bank and in hand	<u>302,139</u>	<u>214,261</u>

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2014	2013
	\$	\$
Cash and cash equivalents	<u>302,139</u>	214,261
Balance as per statement of cash flows	<u>302,139</u>	<u>214,261</u>

3 Revenue and Other Income

Revenue from continuing operations

	2014	2013
	\$	\$
Trading revenue		
- Bar Sales	719,069	708,572
- Poker Machines	525,988	471,524
- GST Subsidy Poker Machine	17,180	17,180
- Snack Bar & Coffee Shop	45,897	34,872
- Keno Commission	17,085	15,287
- TAB Commission	8,353	8,340
Trading revenue	<u>1,333,572</u>	<u>1,255,775</u>
Finance income		
- Interest Income	3,290	4,376
Finance income	<u>3,290</u>	<u>4,376</u>
Other revenue		
- Other Income	67,252	22,459
Other revenue	<u>70,542</u>	<u>26,835</u>
Total Revenue	<u>1,404,114</u>	<u>1,282,610</u>

Notes to the Financial Statements

For the Year Ended 30 June 2014

4 Expenses

	2014	2013
	\$	\$
Employee Benefits Expense		
Wages and Salaries	425,179	420,088
Superannuation contributions	39,775	37,530
Long service leave	18,438	4,516
Annual and Sick leave	7,938	9,474
Total Employee Benefits Expense	<u>491,331</u>	<u>471,608</u>

5 Trade and other receivables

	2014	2013
	\$	\$
CURRENT		
TabCorp Deposit	5,000	-
Trade Debtors	35	1,330
GST Subsidy Receivable	1,432	1,432
Total current trade and other receivables	<u>6,467</u>	<u>2,762</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

6 Inventories

	2014	2013
	\$	\$
CURRENT		
At cost:		
Draft Beer	9,592	7,412
Packaged Beer	2,902	3,085
Wines	3,119	3,730
Spirits	2,900	3,243
Additives & Sundries	2,708	3,212
	<u>21,221</u>	<u>20,682</u>

Notes to the Financial Statements

For the Year Ended 30 June 2014

7 Property, plant and equipment

	2014	2013
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At cost	3,368,794	3,360,294
Total land and buildings	3,368,794	3,360,294
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	927,537	814,282
Accumulated depreciation	(631,651)	(630,025)
Total plant and equipment	295,886	184,257
Furniture, fixtures and fittings		
At cost	155,747	151,216
Accumulated depreciation	(115,681)	(104,172)
Total furniture, fixtures and fittings	40,066	47,044
Office equipment		
At cost	32,864	31,909
Accumulated depreciation	(31,719)	(30,978)
Total office equipment	1,145	931
Bowling greens		
At cost	24,626	24,626
Accumulated depreciation	(24,626)	(24,626)
Total Bowling greens	-	-
WIP - Outdoor Pokies Room		
At cost	97,924	-
Total WIP - Outdoor Pokies Room	97,924	-
WIP - New POS System		
At cost	24,620	-
Total WIP - New POS System	24,620	-
Total plant and equipment	459,641	232,232
Total property, plant and equipment	3,828,435	3,592,526

Lithgow City Bowling Club Limited

A.B.N 50 001 040 348

Notes to the Financial Statements

For the Year Ended 30 June 2014

7 Property, plant and equipment continued

(a) Movements in Carrying Amounts

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

	Land and Buildings	Plant and Equipment	Furniture and Fittings	Office Equipment	WIP - Outdoor Pokies Room	WIP - New POS System	Total
Parent	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2014							
Balance at the Beginning of year	3,360,294	184,257	47,044	931	-	-	3,592,526
Additions	8,500	160,383	4,531	955	97,924	24,620	296,913
Disposals - written down value	-	(675)	-	-	-	-	(675)
Depreciation Expense	-	(48,079)	(11,509)	(741)	-	-	(60,329)
Balance at the end of the year	3,368,794	295,886	40,066	1,145	97,924	24,620	3,828,435

Notes to the Financial Statements

For the Year Ended 30 June 2014

7 Property, plant and equipment continued

(b) Asset revaluations

Land, Buildings and Improvements have been valued in 2007 and subsequently confirmed by the Directors as being at Fair Value totalling \$3,368,794 for the year ended 30 June 2014. Directors have confirmed that a valuation will be prepared by registered valuer in the 2015 financial year which will be subsequently updated in the 30 June 2015 Financial Statements.

(c) Core Assets

The directors have considered all the Land and Buildings as Core Assets.

8 Other Assets

	2014	2013
	\$	\$
CURRENT		
Prepayments	4,335	6,508

9 Trade and other payables

	2014	2013
	\$	\$
CURRENT		
Trade payables	97,770	26,488
Members Loyalty Rewards	-	33,556
Payroll Deductions	11,415	6,754
GST Payable	2,635	13,001
Accrued Expenses	23,649	23,024
	<u>135,471</u>	<u>102,823</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

10 Provisions

	2014	2013
	\$	\$
CURRENT		
Employee entitlement	<u>30,061</u>	25,142
NON-CURRENT		
Employee entitlement	<u>35,138</u>	<u>27,126</u>

Lithgow City Bowling Club Limited

A.B.N 50 001 040 348

Notes to the Financial Statements

For the Year Ended 30 June 2014

11 Other liabilities

	2014	2013
	\$	\$
CURRENT		
Members subscription received in advance	16,002	17,886
NON-CURRENT		
ANZ Consolidated Loan	381,430	248,718
Aristocrat - Financed Pokies	35,259	3,701
	<u>416,689</u>	<u>252,419</u>

12 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2014 (30 June 2013: None).

13 Events Occurring After the Reporting Date

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.

14 Company Details

The registered office of the company is:

Lithgow City Bowling Club Limited
2c Lithgow Street
Lithgow NSW 2790

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 8 to 22, 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 2014 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 
Robert Ritchie

Director 
Michael Brown

Dated this 15th day of AUGUST 2014

Lithgow City Bowling Club Limited

A.B.N 50 001 040 348

Dubbo Office2 Commercial Avenue
Dubbo NSW 2830 Australia
PO Box 654
Dubbo NSW 2830 Australia
Tel 02 6883 5600
Fax 02 6884 2242**Bathurst Office**157 George Street
Bathurst NSW 2795 Australia
PO Box 684
Bathurst NSW 2795 Australia
Tel 02 6330 2200
Fax 02 6330 2299www.crowehorwath.com.au**Independent Audit Report to the members of
Lithgow City Bowling Club Limited****Report on the Financial Report**

We have audited the accompanying financial report of Lithgow City Bowling Club Limited, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Lithgow City Bowling Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report

Lithgow City Bowling Club Limited

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Fax 02 6330 2299www.crowehorwath.com.au**Independent Audit Report to the members of
Lithgow City Bowling Club Limited***Opinion*

In our opinion the financial report of Lithgow City Bowling Club Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

*Crowe Horwath Central West***CROWE HORWATH CENTRAL WEST***Clare Wagner***Clare Wagner
Audit Partner**

Registered Company Auditor 335972

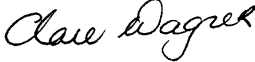
Dated: 19 August 2014

Lithgow City Bowling Club Limited

A.B.N 50 001 040 348

For the Year Ended 30 June 2014**Disclaimer on Additional Information****Crowe Horwath
Central West**ABN 73 139 862 923
Member Crowe Horwath International
Audit and Assurance Services**Dubbo Office**2 Commercial Avenue
Dubbo NSW 2830 Australia
PO Box 654
Dubbo NSW 2830 Australia
Tel 02 6883 5600
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The additional financial data presented on page 26 is in accordance with the books and records of the Company which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 30 June 2014. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Lithgow City Bowling Club Limited) in respect of such data, including any errors of omissions therein however caused.

CROWE HORWATH CENTRAL WEST**Clare Wagner
Audit Partner**

Registered Company Auditor 335972

Dated: 19 August 2014

Lithgow City Bowling Club Limited

ABN: 50 001 040 348

For the Year Ended 30 June 2014

Profit and Loss Account (Unaudited)

	2014	2013
	\$	\$
Sales		
Bar Sales	719,069	708,572
Poker Machine	525,988	471,524
GST Subsidy Poker Machine	17,180	17,180
Snack Bar	45,897	34,872
KENO Commission	17,085	15,287
TAB Commission	8,353	8,340
Membership Subscriptions	21,058	16,735
Other Income	49,485	10,100
	<hr/>	<hr/>
Total Sales	1,404,114	1,282,612
Cost of Sales	(\$292,992)	(\$298,199)
	<hr/>	<hr/>
Gross Profit	1,111,122	984,413
Less: Expenses		
Bar Operating	(\$10,643)	(\$13,193)
Poker Machine	(\$21,554)	(\$21,366)
Snack Bar & Coffee Shop	(\$20,593)	(\$16,714)
KENO	(\$2,455)	(\$2,790)
TAB	(\$20,871)	(\$20,947)
Greens Maintenance	(\$31,388)	(\$39,209)
Administration Expenses	(\$128,111)	(\$114,738)
Advertising and Promotion	(\$70,456)	(\$76,545)
Employee costs - salaried staff	(\$491,331)	(\$471,609)
Depreciation	(\$60,328)	(\$59,637)
Entertainment	(\$33,354)	(\$25,071)
Affiliations	(\$7,996)	(\$8,174)
Insurance	(\$39,894)	(\$53,284)
Rates	(\$7,843)	(\$7,477)
Repairs and Maintenance	(\$12,878)	(\$12,546)
Finance costs	(\$18,409)	(\$22,060)
Other Expenses	(\$15,125)	(\$15,000)
	<hr/>	<hr/>
Total Expenses	(\$993,230)	(\$980,359)
	<hr/>	<hr/>
Net Profit for the Year	\$117,893	\$4,054

Lithgow City Bowling Club Limited

ABN: 50 001 040 348

For the Year Ended 30 June 2014

Detailed trading account (Unaudited)

	2014	2013
	\$	\$
Bar Sales		
Sales Revenue		
Sales	719,069	708,572
	<u>719,069</u>	<u>708,572</u>
Cost of Sales		
COGS	(\$292,992)	(\$298,199)
Cost of Goods Sold	<u>(\$292,992)</u>	<u>(\$298,199)</u>
Gross Profit	426,078	410,374
	<u>59.25%</u>	<u>57.92%</u>
Less: Direct Expenses		
Direct Expenses	(\$289,759)	(\$284,697)
	<u>(\$289,759)</u>	<u>(\$284,697)</u>
Net Profit / (Loss)	<u><u>136,319</u></u>	<u><u>125,676</u></u>

Lithgow City Bowling Club Limited

ABN: 50 001 040 348

For the Year Ended 30 June 2014

Detailed trading account (Unaudited)

	2014	2013
	\$	\$
Snack Bar & Coffee Shop		
Income		
Bistro & Coffee Sales	45,897	34,872
	<u>45,897</u>	<u>34,872</u>
Less: Direct Expenses		
Direct Expenses	(\$48,463)	(\$38,785)
	<u>(\$48,463)</u>	<u>(\$38,785)</u>
Net Profit / (Loss)	<u><u>(\$2,566)</u></u>	<u><u>(\$3,913)</u></u>

Lithgow City Bowling Club Limited

ABN: 50 001 040 348

For the Year Ended 30 June 2014

Detailed trading account (Unaudited)

	2014 \$	2013 \$
Poker Machine		
Income		
Poker Machine	1,720,781	1,736,671
	<u>1,720,781</u>	<u>1,736,671</u>
Less: Direct Expenses		
Direct Expenses	(<u>\$1,219,997</u>)	(<u>\$1,288,301</u>)
	(<u>\$1,219,997</u>)	(<u>\$1,288,301</u>)
Net Profit / (Loss)	<u><u>500,784</u></u>	<u><u>448,370</u></u>