

Harrington Bowling Club Limited

ABN: 56 001 040 311

Financial Statements

For the Year Ended 31 May 2015

Harrington Bowling Club Limited

ABN: 56 001 040 311

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For the Year Ended 31 May 2015

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Harrington Bowling Club Limited

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DIRECTORS' REPORT

31 May 2015

Your directors present their report on the Company for the financial year ended 31 May 2015.

Directors

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

Kerry McDONALD

Garry DURRANT

Eric MASON

Roger McELLIGOTT

Robert IRWIN

Kelvin SWEETMAN

Gary JOHNSON

Margaret HAWKINS

(Appointed 23/08/2014)

Michelle STAFFORD

(Appointed 23/08/2014, Resigned 27/05/2015)

Roselyn DARCY

(Resigned 23/08/2014)

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

Short-Term Objectives

The short-term objectives of the Company are to:

- Raise funds for community based appeals.
- Promote the Club principally for Lawn Bowls as well as other sporting, social and community activities.
- Provide entertainment to suit customers' needs.
- Provide quality food and beverage services with special benefits to customers.
- Ensure regulatory requirements are met.

Long-Term Objectives

The long-term objectives of the Company are to:

- Increase overall membership and encourage participation in sporting and other activities.
- Be a positive influence on the community through considered donations and providing a meeting place for community entities.
- Provide and deliver quality bar products and other services to customers.
- Upgrade Club and Caravan Park facilities.

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DIRECTORS' REPORT

31 May 2015

Strategies Adopted for Achieving Objectives

To achieve the objectives of the Company the following strategies have been adopted:

- Monitor the external and internal environment and make changes to the Clubs Constitution, if required.
- Provide cash donations (on request) as well as in-kind support to community organisations.
- Allow the use of the auditorium to members and community groups for special functions.
- Organise sporting events as well as raffles and donations to raise funds for charitable appeals.
- Maximise the benefits offered to community groups by appropriate management of the Clubs Grants Program.
- Promote Men's and Women's Bowls, Fishing, Snooker and Darts Clubs, entertainment activities and membership benefits through in-house advertising as well as advertising in the local community newspaper, district press and TV campaigns.
- Reward customers for loyalty by conducting promotional events related to the Club's income streams.
- Offer services at a more competitive price than our local competitors.
- Deliver products and services in a professional and friendly manner that is equal to industry standards and better than our local competitors by monitoring staff performance and encouraging constant improvement in customer service.
- Provide regular music and dancing entertainment as well as stage shows by headline artists on an infrequent basis.
- Encourage discounted meals for members.
- Encourage promotional meals to all customers on targeted nights to increase turnover in quiet periods.
- Monitor health and safety requirements, industrial awards and other requirements for compliance and upgrade as necessary.
- Explore options for improvements to bowling green and act on improvement provided the circumstances are favourable.
- Explore electronic options for improving services to customers.
- Upgrade equipment and infrastructure at the Club and the Caravan Park as required.

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DIRECTORS' REPORT

31 May 2015

Principal Activities

The principal activity of the Company during the financial year was the conduct of a Registered Club. No significant change in the nature of this principal activity occurred during the financial year.

Means by which Principal Activities Assisted in Achieving the Company's Objectives

The Club's objectives were achieved through profits and cash flow as well as support provided by volunteer activities.

Measurement and Monitoring of Performance of the Company

The Club measures performance against actual monthly results matched to forecasts derived from previous years' activities and anticipated growth in the major income streams of Bar, Gaming, TAB, KENO, Fees from Bowls events and Caravan Park receipts. The Club monitors trading results and any impact that may occur due to price increases and possible changes in regulations.

Members' Guarantee

The Company is 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 any outstanding obligations of the Company. At 31 May 2015 the number of members was 1,908 (2014: 1,633).

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* has been received and is included in this financial report.

Core and Non-Core Property

Core property is defined as any real property owned by the Club that comprises the defined premises of the Club or any facility provided by the Club for the use of its members and visitors. Core property of the Club consists of land occupied by the Clubhouse, Bowling Greens at 50 Beach Street, Harrington, New South Wales.

Non core property of the Club means any real property owned by the Club that is not core property. Non core property consists of land located at 69 Beach Street and a caravan park located at 71-83 Beach Street, Harrington New South Wales.

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DIRECTORS' REPORT

31 May 2015

Meetings of Directors

During the financial year 12 monthly and 7 special meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Special Meetings	
	Eligible to attend	Number attended	Eligible to attend	Number attended
Kerry McDONALD	12	12	5	5
Garry DURRANT	12	12	5	5
Eric MASON	12	11	5	5
Roger McELLIGOTT	12	8	5	4
Robert IRWIN	12	11	5	5
Kelvin SWEETMAN	12	11	5	5
Gary JOHNSON	12	12	5	4
Margaret HAWKINS	10	10	3	3
Michelle STAFFORD	10	7	2	1
Roselyn DARCY	2	2	2	2

Information on Current Directors

Kerry McDONALD

Experience Chairman 2 years
Past Deputy Chairman 1 year
Past Ordinary Director 2 years

Special Responsibilities Chairman

Garry DURRANT

Experience Deputy Chairman 2 years
Past Ordinary Director 4 years
Past Treasurer 1 year

Special Responsibilities Deputy Chairman

Eric MASON

Experience Deputy Chairman 3 years
Past Ordinary Director 1 year

Special Responsibilities Deputy Chairman

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DIRECTORS' REPORT

31 May 2015

Information on Current Directors continued

Roger McELLIGOTT

Experience Treasurer 3 years

Special Responsibilities Treasurer

Robert IRWIN

Experience Ordinary Director 3 years

Kelvin SWEETMAN

Experience Ordinary Director 3 years

Gary JOHNSON


Experience Ordinary Director 2 years

Margaret HAWKINS

Experience Ordinary Director 1 year

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

Chairman:



Kerry McDONALD

Dated: 6 July 2015



NorthCorp
accountants

PARTNERS
Robert Magnussen B Bus FCA
Paul Fahey B Bus CA
Rodney Smith B Fin Admin FCA
Tony Faulder B Com CPA Affiliate ICAA
Bart Lawler B Com CA
Patrick Brennan B Com CA

CONSULTANT
Mark Hatherly B Com FCA

AUDITOR'S INDEPENDENCE DECLARATION
Under Section 307C of the *Corporations Act 2001*

To the Directors of Harrington Bowling Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 May 2015 there have been no contraventions of:

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

NorthCorp Accountants

Rodney Smith
Partner

10-12 Short Street
Port Macquarie NSW 2444

Dated: 6 July 2015



**Chartered
Accountants**

Chartered Accountants
Suites 1-3 Bourne House, 10-12 Short Street, PO Box 166, Port Macquarie NSW 2444
51 Cameron Street, PO Box 75, Wauchope NSW 2446
T 02 6588 4444 F 02 6583 4527 E northcorp@northcorp.com.au www.northcorp.com.au
Liability Limited by a scheme approved under Professional Standards Legislation

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STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 May 2015

	Note	2015 \$	2014 \$
Revenue	2(a)	3,380,846	2,936,399
Other income	2(b)	31,297	-
		<u>3,412,143</u>	<u>2,936,399</u>
Changes in inventories	3	(86)	(8,623)
Inventories purchased	3	(639,005)	(545,459)
Bowling, member and social expenses		(164,976)	(162,016)
Contract management fees- caravan park		(164,318)	(159,826)
Electricity and gas		(143,572)	(124,632)
Employee benefits expense		(780,265)	(754,054)
Depreciation and amortisation expense	3	(401,847)	(368,610)
Finance costs	3	(93,925)	(107,850)
Insurances		(60,991)	(65,894)
Other poker machines, keno and tab expenses		(143,696)	(96,500)
Rates and taxes		(76,850)	(84,171)
Repairs, maintenance and cleaning expenses		(271,282)	(268,872)
Other expenses from operating activity		(260,701)	(252,950)
		<u>(3,201,514)</u>	<u>(2,999,457)</u>
Profit before income tax		210,629	(63,058)
Income tax expense		-	-
		<u>210,629</u>	<u>(63,058)</u>
Profit for the year		210,629	(63,058)
Other comprehensive income for the year		-	-
		<u>-</u>	<u>-</u>
Total comprehensive income for the year		210,629	(63,058)
Profit attributable to members		<u>210,629</u>	<u>(63,058)</u>
Total comprehensive income attributable to members		<u>210,629</u>	<u>(63,058)</u>

These financial statements should be read in conjunction with the attached Independent Auditor's Report
The accompanying notes form part of these financial statements.

Harrington Bowling Club Limited

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STATEMENT OF FINANCIAL POSITION

As at 31 May 2015

	Note	2015 \$	2014 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	804,942	689,537
Trade and other receivables	5	37,220	20,750
Inventories	6	79,353	77,716
Other assets	7	29,710	32,622
Total current assets		951,225	820,625
Non-current assets			
Property, plant and equipment	8	5,390,529	5,317,918
Intangible assets	9	-	-
Total non-current assets		5,390,529	5,317,918
TOTAL ASSETS		6,341,754	6,138,543
LIABILITIES			
Current liabilities			
Trade and other payables	10	223,367	191,159
Borrowings	11	231,867	58,294
Short-term provisions	12	160,857	137,845
Other current liabilities	13	27,249	23,005
Total current liabilities		643,340	410,303
Non-current liabilities			
Borrowings	11	1,428,219	1,666,757
Long-term provisions	12	15,521	17,438
Total non-current liabilities		1,443,740	1,684,195
TOTAL LIABILITIES		2,087,080	2,094,498
NET ASSETS		4,254,674	4,044,045
EQUITY			
Retained earnings		4,254,674	4,044,045
TOTAL EQUITY		4,254,674	4,044,045

These financial statements should be read in conjunction with the attached Independent Auditor's Report
The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 May 2015

2015

	Retained Earnings	Total
	\$	\$
Balance at 1 June 2014	4,044,045	4,044,045
Profit attributable to members of the entity	210,629	210,629
Other comprehensive income	-	-
Total comprehensive income for the year	210,629	210,629
Balance at 31 May 2015	4,254,674	4,254,674

2014

	Retained Earnings	Total
	\$	\$
Balance at 1 June 2013	4,107,103	4,107,103
Profit attributable to members of the entity	(63,058)	(63,058)
Other comprehensive income	-	-
Total comprehensive income for the year	(63,058)	(63,058)
Balance at 31 May 2014	4,044,045	4,044,045

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The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS

For the Year Ended 31 May 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities:			
Receipts from customers		3,703,298	3,214,496
Payments to suppliers and employees		(2,991,164)	(2,797,898)
Interest received		5,322	6,209
Finance costs		(93,925)	(107,850)
Net cash provided by (used in) operating activities		623,531	314,957
Cash flows from investing activities:			
Proceeds from sale of plant and equipment		45,373	-
Purchase of property, plant and equipment		(488,534)	(332,040)
Net cash used by investing activities		(443,161)	(332,040)
Cash flows from financing activities:			
Proceeds from borrowings		200,000	173,902
Repayment of borrowings		(264,965)	(134,971)
Net cash used by financing activities		(64,965)	38,931
Net increase (decrease) in cash and cash equivalents		115,405	21,848
Cash and cash equivalents at beginning of year		689,537	667,689
Cash and cash equivalents at end of financial year	4	804,942	689,537

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The accompanying notes form part of these financial statements.

Harrington Bowling Club Limited

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2015

The financial report is for Harrington Bowling Club Limited as an individual entity, incorporated and domiciled in Australia. Harrington Bowling Club Limited is a Company limited by guarantee.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

Harrington Bowling Club Limited applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board 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, financial assets and financial liabilities.

The financial statements were authorised for issue on 6 July 2015 by the Directors of the Company.

Accounting Policies

(a) Income Tax

The Company has been granted an exemption from income tax under Section 50-45 of the *Income Tax Assessment Act 1997*. The exempt status of the Company applies indefinitely or until such time as a change in circumstances warrants a review of the exempt status.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value.

(c) 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 measured on the cost basis.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

These financial statements should be read in conjunction with the attached Independent Auditor's Report

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For the Year Ended 31 May 2015

(c) Property, Plant and Equipment continued

Plant and equipment continued

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 charged to the statement of comprehensive income during 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, 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.

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

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings and freehold improvements	2.5 to 20%
Plant and equipment	5 to 50%

The assets' residual values 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 or losses are included in the statement of comprehensive income.

(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 the 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.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2015

(e) Financial Instruments

Initial Recognition and Measurement

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

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified as 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. 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:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- 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
- 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 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) *Financial assets at fair value through profit and loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2015

(e) Financial Instruments continued

(ii) *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 period, which will be classified as non-current assets.

(iii) *Held-to-maturity investments*

Held-to-maturity financial assets are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

(v) *Financial liabilities*

Non-derivative financial liabilities are subsequently measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions and reference to similar instruments.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2015

(f) Impairment of Assets

At the end of each reporting period, 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. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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.

Impairment testing is performed annually for goodwill and intangible assets with indefinite useful lives.

(g) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

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

(h) 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.

(i) 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, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(j) Trade and Other Payables

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

(k) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the sale of goods 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.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

These financial statements should be read in conjunction with the attached Independent Auditor's Report

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2015

(k) Revenue continued

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

(l) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(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 Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of 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.

(n) Affiliated Clubs

Affiliated clubs are amalgamated with the Company unless they can demonstrate financial and legal independence.

(o) Comparative Figures

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

When the Company 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 will be disclosed.

(p) Critical Accounting Estimates and Judgements

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

Key Estimates - Impairment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key Judgements - Provision for Impairment of Property, Plant and Equipment

No impairment has been recognised in respect of assets at the end of the reporting period.

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2015

Note 2 Revenue and Other Income

(a) Revenue

	2015	2014
	\$	\$
Sale of goods		
Bar sales	1,345,392	1,131,283
Other revenue:		
Caravan park revenue	520,099	484,073
Commissions received - Club Keno	87,886	75,749
Commissions received - other	19,779	13,529
Commissions received - TAB	14,611	10,675
Contributions - Sub clubs	17,371	6,103
Government subsidies received	17,180	17,180
Green fees	71,720	58,135
Interest received - other persons	5,322	6,209
Membership subscriptions	29,059	27,344
Poker machine takings (net of payouts)	1,238,776	1,098,805
Sundry income	13,651	7,314
	<u>2,035,454</u>	<u>1,805,116</u>
Total revenue	<u>3,380,846</u>	<u>2,936,399</u>
(b) Other income		
Gain on disposal of property, plant and equipment	31,297	-
Total Revenue and Other Income	<u>3,412,143</u>	<u>2,936,399</u>

Note 3 Profit for the Year

(a) Expenses

Cost of goods sold:

Bar sales	639,091	554,082
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Finance Costs:

Interest expense	93,925	107,850
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Depreciation:

Buildings and improvements	165,031	142,257
Plant and equipment	236,816	226,353
	<u>401,847</u>	<u>368,610</u>

These financial statements should be read in conjunction with the attached Independent Auditor's Report

Harrington Bowling Club Limited

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2015

Note 4 Cash and Cash Equivalents

	2015	2014
	\$	\$
Cash at bank and in hand - main club	718,383	619,363
Cash at bank and in hand - sub clubs	86,559	70,174
	<u>804,942</u>	<u>689,537</u>

Reconciliation of Cash

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	<u>804,942</u>	<u>689,537</u>
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Note 5 Trade and Other Receivables

Current

Trade receivables	<u>37,220</u>	<u>20,750</u>
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Note 6 Inventories

Current

Finished Goods - at Cost

Bar stock	65,684	65,771
Other consumables	13,669	11,945
	<u>79,353</u>	<u>77,716</u>

Note 7 Other Assets

Current

Prepayments	24,710	27,622
TAB guarantee	5,000	5,000
	<u>29,710</u>	<u>32,622</u>

Harrington Bowling Club Limited

ABN: 56 001 040 311

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2015

Note 8 Property Plant and Equipment

	2015	2014
	\$	\$
Land and buildings		
Freehold land		
Land	<u>1,377,870</u>	<u>1,377,870</u>
Buildings and freehold improvements		
Buildings	5,355,156	5,166,220
Accumulated depreciation	<u>(2,020,908)</u>	<u>(1,951,677)</u>
Total buildings	<u>3,334,248</u>	<u>3,214,543</u>
Total land and buildings	<u>4,712,118</u>	<u>4,592,413</u>
Plant and equipment		
Plant and equipment at cost	2,479,814	2,606,628
Accumulated depreciation	<u>(1,801,403)</u>	<u>(1,881,123)</u>
Total plant and equipment	<u>678,411</u>	<u>725,505</u>
Total property, plant and equipment	<u>5,390,529</u>	<u>5,317,918</u>

(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	Buildings	Plant and equipment	Total
	\$	\$	\$	\$
Balance at 1 June 2014	1,377,870	3,214,543	725,505	5,317,918
Additions at cost	-	298,812	189,722	488,534
Disposals	-	(14,076)	-	(14,076)
Depreciation expense	-	(165,031)	(236,816)	(401,847)
Balance at 1 June 2015	<u>1,377,870</u>	<u>3,334,248</u>	<u>678,411</u>	<u>5,390,529</u>

Harrington Bowling Club Limited

ABN: 56 001 040 311

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2015

Note 9 Intangible assets

	2015	2014
Note	\$	\$
Goodwill		
Goodwill at cost	774,092	774,092
Accumulated impairment losses	<u>(774,092)</u>	<u>(774,092)</u>
Net carrying value	<u>-</u>	<u>-</u>

Note 10 Trade and Other Payables

Current

Unsecured liabilities

Trade payables	91,421	97,717
Accrued expenses	97,821	69,396
Other payables	34,125	24,046
	<u>223,367</u>	<u>191,159</u>

Note 11 Borrowings

Current

Unsecured liabilities

Other borrowings	<u>57,803</u>	<u>58,294</u>
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Secured liabilities

Bank loans	11(a)(b) <u>174,064</u>	<u>-</u>
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Total current borrowings	<u>231,867</u>	<u>58,294</u>
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Non-Current

Unsecured liabilities

Other borrowings	8,953	66,757
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Secured liabilities

Bank loans	11(a)(b) <u>1,419,266</u>	<u>1,600,000</u>
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Total non-current borrowings	<u>1,428,219</u>	<u>1,666,757</u>
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Total borrowings	<u>1,660,086</u>	<u>1,725,051</u>
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Harrington Bowling Club Limited

ABN: 56 001 040 311

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2015

Note 11 Borrowings continued

(a) Total current and non-current secured liabilities

	2015	2014
	\$	\$
Bank loans	1,593,330	1,600,000
	<u>1,593,330</u>	<u>1,600,000</u>

(b) The carrying amounts of non-current assets pledged as security are:

Freehold land and buildings	4,726,485	4,592,413
Plant and equipment	664,044	725,505
	<u>5,390,529</u>	<u>5,317,918</u>

(c) Collateral Provided

Bank Loans

Bank loans are secured by registered first mortgage over the freehold land and buildings of the Company and a registered mortgage debenture over the assets of the Company.

Other Borrowings

Other borrowings are unsecured and comprise of finance contracts for the purchase of 2 poker machines and a poker machine ticket-in ticket-out system entered into during the year ended 31 May 2014 with 3 year terms. The loans are interest free.

Note 12 Provisions

	Employee entitlements	Total
	\$	\$
Opening balance at 1 June 2014	155,283	155,283
Additional provisions	21,095	21,095
Balance at 31 May 2015	<u>176,378</u>	<u>176,378</u>

Analysis of Total Provisions

	2015	2014
	\$	\$
Current	160,857	137,845
Non-current	15,521	17,438
	<u>176,378</u>	<u>155,283</u>

These financial statements should be read in conjunction with the attached Independent Auditor's Report

Harrington Bowling Club Limited

ABN: 56 001 040 311

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2015

Note 13 Other Liabilities

Current

	2015	2014
	\$	\$
Members' subscriptions in advance	27,249	23,005

Note 14 Key Management Personnel Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the the Company, directly or indirectly, including any Director (whether executive or otherwise) of that at entity. Control is the power to govern the financial and operating policies of an entity so to obtain benefits from its activities.

The aggregate compensation of key management personnel during the financial year comprising amounts paid or payable or provided for was as follows:

	2015	2014
	\$	\$
Short-term employee benefits	79,348	76,863
Post-employment benefits	7,498	7,019
Other long-term benefits	8,517	4,194
	95,363	88,076

Note 15 Other Related Party Transactions

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

Note 16 Members' Guarantee

The Company is 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 any outstanding obligations of the Company. At 31 May 2015 the number of members was 1,908 (2014: 1,633).

Harrington Bowling Club Limited

ABN: 56 001 040 311

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2015

Note 17 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, cash on hand, accounts receivable and payable, and borrowings.

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	2015 \$	2014 \$
Financial Assets			
Cash and cash equivalents	4	804,942	689,537
Trade receivables	5	37,220	20,750
Total Financial Assets		842,162	710,287
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	10	223,367	191,159
Bank Loans	11	1,593,330	1,600,000
Other borrowings	11	66,756	125,051
Total financial liabilities		1,883,453	1,916,210

Net Fair Values

The net fair values of financial assets and financial liabilities approximates their carrying values. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Note 18 Company Details

The registered office and principal place of business of the Company is:

50 Beach Street
Harrington NSW 2427

Harrington Bowling Club Limited

ABN: 56 001 040 311

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Harrington Bowling Club Limited, the directors of the Company declare that:

1. The financial statements, comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to and forming part of the financial statements, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position of the Company as at 31 May 2015 and of its performance for the year ended on that date.
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.

Chairman


Kerry McDONALD

Dated: 6 July 2015



NorthCorp
accountants

PARTNERS
Robert Magnussen B Bus FCA
Paul Fahey B Bus CA
Rodney Smith B Fin Admin FCA
Tony Faulder B Com CPA Affiliate ICAA
Bart Lawler B Com CA
Patrick Brennan B Com CA
CONSULTANT
Mark Hatherly B Com FCA

Independent Auditor's Report to the Members of Harrington Bowling Club Limited

Report on the Financial Report

We have audited the accompanying financial report of Harrington Bowling Club Limited, which comprises the Statement of Financial Position as at 31 May 2015, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes, 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 a financial report that 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. These standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgment, 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.



**Chartered
Accountants**

Chartered Accountants
Suites 1-3 Bourne House, 10-12 Short Street, PO Box 166, Port Macquarie NSW 2444
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Liability Limited by a scheme approved under Professional Standards Legislation



NorthCorp
accountants

PARTNERS
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Independent Auditor's Report to the Members of Harrington Bowling Club Limited

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion the financial statements of Harrington Bowling Club Limited are in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 31 May 2015 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*

NorthCorp Accountants

Rodney Smith
Partner

10-12 Short Street
Port Macquarie NSW 2444

Dated: 6 July 2015



Chartered
Accountants

Chartered Accountants

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