



BERESFIELD BOWLING CLUB LIMITED

ACN: 163 531 691

FINANCIAL REPORT

for the year ended 31 May 2016

BERESFIELD BOWLING CLUB LIMITED

ACN: 163 531 691

FINANCIAL REPORT

for the year ended 31 May 2016

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BERESFIELD BOWLING CLUB LIMITED

ACN: 163 531 691

DIRECTORS' REPORT

Your directors present their report on Beresfield Bowling Club Limited for the financial year ended 31 May 2016.

Directors

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

Mr Ron Morley

Mr Colin Byron

Mr Des Skinner

Mr Terry Lockwood

Mr Michael Brent

Mr Wayne Lewis (resigned 23 August 2015 / reappointed 31 May 2016)

Mr Noel Allardice

Mr Phillip Bird

Mr Mark Conway (appointed 23 August 2015)

Mr Grant Boyce (resigned 31 May 2016)

Mr Brian Gardiner (resigned 23 August 2015)

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

Principal Activities

The principal activity of the Club during the financial year was the operation of a bowling club in accordance with its objectives and for the benefit of its members.

No significant change in the nature of this activity occurred during the year.

Operating Result

The net profit of the Club for the financial year amounted to \$27,613 (2015: \$260,710).

Short and Long-term Objectives

The Club's short-term objectives are to:

- Maintain quality bowling facilities and actively encourage growth and participation in the sport;
- Provide members and guests with modern facilities and efficient service in a safe and friendly environment; and
- Be recognised in the community as a progressive and successful Club that provides a significant contribution to the community as a whole.

The Club's long-term objectives are to:

- Continue to nurture and develop the sport of bowls at every level;
- Continue to develop and refine the Club's Master Plan, which includes ongoing communication with local government authorities to ensure the best possible use of the land holdings that surround the Club; and
- Generate profits that can be reinvested into improved services and facilities for members and community support.

BERESFIELD BOWLING CLUB LIMITED

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DIRECTORS' REPORT

Strategies

To achieve its stated objectives, the Club has adopted the following strategies:

- Ensuring the Club's financial performance is optimized through the constant review and evaluation of the Club's business practice, continuing to listen and respond to our members and their guest's needs; and
- Monitoring and reviewing the Club's financial and non-financial key performance indicators in order to measure the Club's performance against industry best practice.

Information on Directors

Name	Occupation / Qualifications	Position / Special Responsibilities	Years as Director
Mr Ron Morley	Retired	Director	27
Mr Colin Byron	Retired	Director / Senior Vice Chairman	22
Mr Des Skinner	Retired	Director / Chairman	19
Mr Terry Lockwood	Retired	Director / Vice Chairman	18
Mr Michael Brent	Retired	Director / Treasurer	8
Mr Wayne Lewis	Retired	Director	8
Mr Noel Allardice	Retired	Director	3
Mr Phillip Bird	Retired	Director	3
Mr Mark Conway	Stock Loss Advisor	Director	1

Meetings of Directors

During the year, 24 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Eligible to Attend	Number Attended
Mr Ron Morley	24	21
Mr Colin Byron	24	22
Mr Des Skinner	24	22
Mr Terry Lockwood	24	22
Mr Michael Brent	24	21
Mr Wayne Lewis	6	6
Mr Noel Allardice	24	22
Mr Phillip Bird	24	23
Mr Mark Conway	19	17
Mr Grant Boyce	23	20
Mr Brian Gardiner	5	5

BERESFIELD BOWLING CLUB LIMITED

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DIRECTORS' REPORT

Members Guarantee

The Club 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 \$1 each towards meeting any outstanding obligations of the company. At 31 May 2016, the total amount that members of the company are liable to contribute if the company is wound up is \$7,057 (2015: \$6,805).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 May 2016 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.



Des Skinner
Director



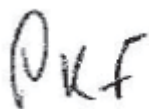
Michael Brent
Director

Dated this 12th day of July 2016

Beresfield Bowling Club Limited
ACN 163 531 691
Auditor's Independence Declaration under
Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 31 May 2016 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.



PKF
Chartered Accountants

Newcastle

Date: 12 July 2016



CLAYTON HICKEY
Partner

BERESFIELD BOWLING CLUB LIMITED

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 May 2016

	Note	2016	2015
		\$	\$
Revenue	2	7,548,562	7,450,929
Other income	2	28,272	87,491
Changes in inventories of finished goods		10,353	4,302
Raw materials and consumables used	3	(696,108)	(675,667)
Employee benefits expense		(2,132,540)	(1,983,027)
Depreciation and amortisation expense	3	(859,502)	(834,929)
Advertising and promotions expense		(416,736)	(418,332)
Entertainment and membership expense		(855,148)	(763,292)
Insurance expense		(132,086)	(123,284)
Poker machine duty		(916,993)	(890,592)
Rates and utilities		(234,481)	(264,414)
Repairs and maintenance		(566,361)	(558,204)
Other expenses		(725,333)	(731,255)
Finance costs	3	(24,286)	(39,016)
Profit before income tax		27,613	260,710
Income tax expense	1(a)	-	-
Net profit		27,613	260,710
Other comprehensive income		-	-
Total comprehensive income attributable to members of the entity		27,613	260,710

The accompanying notes form part of these financial statements

BERESFIELD BOWLING CLUB LIMITED

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STATEMENT OF FINANCIAL POSITION

as at 31 May 2016

	Note	2016 \$	2015 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	1,480,257	1,476,166
Trade and other receivables	5	31,180	22,282
Inventories	6	55,704	45,351
Other current assets	7	64,057	76,143
Total current assets		1,631,198	1,619,942
Non-current assets			
Property, plant and equipment	8	11,540,428	11,140,131
Investment property	9	765,000	765,000
Intangible assets	10	464,829	464,829
Total non-current assets		12,770,257	12,369,960
TOTAL ASSETS		14,401,455	13,989,902
LIABILITIES			
Current liabilities			
Trade and other payables	11	595,741	651,853
Borrowings	12	372,000	317,731
Short-term provisions	13	354,452	291,151
Other current liabilities	14	142,817	139,185
Total current liabilities		1,465,010	1,399,920
Non-current liabilities			
Borrowings	12	343,000	-
Other long-term provisions	13	32,682	56,832
Total non-current liabilities		375,682	56,832
TOTAL LIABILITIES		1,840,692	1,456,752
NET ASSETS		12,560,763	12,533,150
EQUITY			
Reserves	15	1,550,134	1,550,134
Retained earnings		11,010,629	10,983,016
TOTAL EQUITY		12,560,763	12,533,150

The accompanying notes form part of these financial statements

BERESFIELD BOWLING CLUB LIMITED

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STATEMENT OF CHANGES IN EQUITY

for the year ended 31 May 2016

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance 1 June 2014	10,454,275	1,818,165	12,272,440
Comprehensive income:			
Profit for the year attributable to members of the entity	260,710	-	260,710
Other comprehensive income for the year	-	-	-
Total comprehensive income attributable to members of the entity	260,710	-	260,710
Other transfers:			
Transfer to retained earnings - revaluation surplus relating to disposed assets	268,031	(268,031)	-
Total other transfers	268,031	(268,031)	-
Balance at 31 May 2015	10,983,016	1,550,134	12,533,150
Balance 1 June 2015	10,983,016	1,550,134	12,533,150
Comprehensive income:			
Profit for the year attributable to members of the entity	27,613	-	27,613
Other comprehensive income for the year	-	-	-
Total comprehensive income attributable to members of the entity	27,613	-	27,613
Balance at 31 May 2016	11,010,629	1,550,134	12,560,763

The accompanying notes form part of these financial statements

BERESFIELD BOWLING CLUB LIMITED

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STATEMENT OF CASH FLOWS

for the year ended 31 May 2016

	Note	2016	2015
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		8,046,692	7,992,158
Payments to suppliers and employees		(7,116,519)	(7,078,296)
Interest received		22,685	29,384
Finance costs paid		(24,286)	(39,016)
Net cash generated from operating activities		928,572	904,230
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		32,000	467,160
Payments for property, plant and equipment		(1,353,750)	(532,121)
Net cash used in investing activities		(1,321,750)	(64,961)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		802,019	-
Repayment of borrowings		(404,750)	(891,935)
Net cash generated from (used in) financing activities		397,269	(891,935)
Net increase (decrease) in cash held		4,091	(52,666)
Cash and cash equivalents at beginning of the financial year		1,476,166	1,528,832
Cash and cash equivalents at end of the financial year	4	1,480,257	1,476,166

The accompanying notes form part of these financial statements

BERESFIELD BOWLING CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

The financial statements cover Beresfield Bowling Club Limited as an individual entity, incorporated and domiciled in Australia. Beresfield Bowling Club Limited is a company limited by guarantee.

The financial statements were authorised for issue on 12th July 2016 by the directors of the Company.

Note 1: Summary of Significant Accounting Policies

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*. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 stated otherwise.

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.

Accounting Policies

(a) Income Tax

The Company has claimed an income tax exemption as a sporting club in accordance with Section 50-45 of the *Income Tax Assessment Act 1997*. The income tax exemption has been claimed based on self assessment by the Company. Accordingly no provision for income tax has been recognised in the financial statements.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

BERESFIELD BOWLING CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

Note 1: Summary of Significant Accounting Policies (cont'd)

(c) Property, Plant and Equipment

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

Property

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

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

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are charged to the profit or loss.

Any accumulated depreciation at the date of the 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.

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.

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

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 or diminishing value basis over the assets useful life to the Company commencing from the time the asset is held ready for use

BERESFIELD BOWLING CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

Note 1: Summary of Significant Accounting Policies (cont'd)

(c) Property, Plant and Equipment (cont'd)

Depreciation Rates

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

Buildings and surrounds	2.5 - 5%
Plant and equipment	9 - 40%
Computer software	25 - 33%
Poker machines	20 - 36%
Poker machines, under lease	27 - 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Asset classes 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 profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Investment Property

Investment property, comprising residential properties, is held to generate long-term rental yields. All tenant leases are on an arms length basis. Investment property is carried at fair value, determined by independent valuers when there is a material change in fair value. Changes to fair value are recorded in the profit or loss.

(e) Intangibles

Poker Machine Entitlements

Poker machine entitlements are recorded at cost and are deemed to have an indefinite life. They are tested annually for impairment and carried at cost less any accumulated impairment losses.

(f) Leases

Finance Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the 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 or diminishing value 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.

BERESFIELD BOWLING CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

Note 1: Summary of Significant Accounting Policies (cont'd)

(f) Leases (cont'd)

Operating Leases

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.

(g) 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 '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 at 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 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 the profit or loss.

(i) Financial Assets at Fair Value through the 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, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in the profit or loss.

BERESFIELD BOWLING CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

Note 1: Summary of Significant Accounting Policies (cont'd)

(g) Financial Instruments (cont'd)

(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 date, which will be classified as non-current assets.

(iii) Held-to-Maturity Investments

Held to maturity investments 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 using the effective interest rate method.

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

If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

(iv) Available-for-Sale 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. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

(v) Financial Liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost, comprising original debt less principal payments and amortisation.

Fair Value

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

BERESFIELD BOWLING CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

Note 1: Summary of Significant Accounting Policies (cont'd)

(g) Financial Instruments (cont'd)

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. For financial assets carried at amortised cost (including loans and receivables) impairment arises when management establishes that the carrying amount cannot be recovered after undertaking all possible measures of recovery. Impairment losses are recognised in the profit or loss.

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 Company 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 the profit or loss.

(h) 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 profit or loss.

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 it belongs.

(i) 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. Those cash outflows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows.

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

BERESFIELD BOWLING CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

Note 1: Summary of Significant Accounting Policies (cont'd)

(j) 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.

(k) Revenue and Other Income

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 investment properties is recognised on an accruals basis or straight-line basis in accordance with lease agreements.

Membership subscriptions income is recognised as income in the year to which it relates.

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

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 as expenses 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 the expense. 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 are included in the statement of cash flows on a gross basis, except for the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO. The GST component of operating cash flows is classified as a part of operating cash flows. Accordingly, investing and financing cash flows are presented in the Statement of Cash Flows net of the GST that is recoverable from, or payable to, the ATO.

BERESFIELD BOWLING CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

Note 1: Summary of Significant Accounting Policies (cont'd)

(n) Comparative Figures

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

(o) 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.

(p) 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(q) Critical Accounting Estimates and Judgements

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

Key Estimates and Judgements

(i) Asset Useful Lives

The Company determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovation or some other event. The depreciation charge will increase where the useful lives are less than previously estimated, or where obsolete assets are sold or written off.

(ii) Fair Value and Impairment

Freehold land and buildings are included in the financial statements at fair value. Fair value has been determined with reference to independent valuations obtained by the Company. The freehold land and buildings were last independently valued in 2014 by Baker & Magin Valuers. The valuation was based on the depreciated replacement cost. The critical assumptions adopted in determining the valuation included the location of the land and buildings, dimensions of the land and zoning of the property.

BERESFIELD BOWLING CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

Note 1: Summary of Significant Accounting Policies (cont'd)

(q) Critical Accounting Estimates and Judgements (cont'd)

Key Estimates and Judgements (cont'd)

(ii) Fair Value and Impairment (cont'd)

Investment properties are included in the financial statements at fair value. Fair value has been determined with reference to independent market appraisals obtained by the Company. The investment properties were revalued in the prior year based on a valuation performed by James Henry Real Estate. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for buildings in the area and recent sales data for similar properties.

(iii) Discounted Values

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases have been taken into account.

(iv) Income Tax Exemption

The Company has claimed an income tax exemption as a sporting club in accordance with Section 50-45 of the *Income Tax Assessment Act 1997*. Accordingly no provision for income tax has been recognised in the financial statements.

The income tax exemption has been claimed based on self assessment by the Company. Self assessment involves determining whether the Company satisfies the definition of an exempt sporting club. Several factors, including the main purpose of the Company as well as any changes in the structure or activities of the Company, need to be considered in making the assessment.

BERESFIELD BOWLING CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

	Note	2016	2015
		\$	\$
Note 2: Revenue			
Operating activities			
Sale of goods		1,896,499	1,844,214
Commissions		240,008	248,137
Competitions revenue		172,176	208,019
Poker machine revenue		5,007,777	4,900,272
Fees		66,850	68,020
Rental revenue		39,308	44,265
Interest received		22,685	29,384
Gaming tax rebate		17,180	17,180
Other revenue		86,079	91,438
Total revenue		<u>7,548,562</u>	<u>7,450,929</u>
Other income			
Gain (loss) on disposal of property, plant and equipment		28,272	60,729
Change in fair value of investment property		-	26,762
Total other income		<u>28,272</u>	<u>87,491</u>
Note 3: Profit from Operations			
(a) Expenses			
Raw materials and consumables used		696,108	675,667
Finance costs:			
Other persons		24,286	39,016
Depreciation of property, plant and equipment		859,502	834,929

BERESFIELD BOWLING CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

	Note	2016	2015
		\$	\$
Note 4: Cash and Cash Equivalents			
Cash on hand		140,000	141,813
Cash at bank		119,948	212,279
Short-term bank deposits		1,220,309	1,122,074
		<u>1,480,257</u>	<u>1,476,166</u>
Note 5: Trade and Other Receivables			
CURRENT			
Trade receivables		<u>31,180</u>	<u>22,282</u>
Note 6: Inventories			
CURRENT			
Finished goods, at cost		<u>55,704</u>	<u>45,351</u>
Note 7: Other Assets			
CURRENT			
Prepayments		<u>64,057</u>	<u>76,143</u>
Note 8: Property, Plant and Equipment			
LAND AND BUILDINGS			
Freehold land:			
at independent valuation (2014)		2,050,000	2,050,000
Clubhouse building and surrounds:			
at independent valuation (2014)		7,550,000	7,550,000
additions, at cost		482,056	-
Less accumulated depreciation		<u>(394,061)</u>	<u>(196,250)</u>
Total clubhouse building and surrounds		<u>7,637,995</u>	<u>7,353,750</u>
Total land and buildings		<u>9,687,995</u>	<u>9,403,750</u>

BERESFIELD BOWLING CLUB LIMITED

ACN: 163 531 691

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

	Note	2016	2015
		\$	\$
Note 8: Property, Plant and Equipment (cont'd)			
PLANT AND EQUIPMENT			
Plant and equipment, at cost		2,559,872	2,611,946
Less accumulated depreciation		(1,649,270)	(1,665,766)
		910,602	946,180
Computer software, at cost		64,009	64,009
Less accumulated depreciation		(61,771)	(60,249)
		2,238	3,760
Poker machines, at cost		3,731,782	3,189,378
Less accumulated depreciation		(2,792,189)	(2,405,036)
		939,593	784,342
Poker machines, under lease		-	31,410
Less accumulated depreciation		-	(29,311)
		-	2,099
Total plant and equipment		1,852,433	1,736,381
Total property, plant and equipment		11,540,428	11,140,131

The Company's freehold land, clubhouse buildings and surrounds were valued in 2014 by Baker & Magin, an independent certified practicing valuer.

BERESFIELD BOWLING CLUB LIMITED

ACN: 163 531 691

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

Note 8: Property, Plant and Equipment (cont'd)

(a) Movement in Carrying Amounts

	Freehold land at valuation \$	Clubhouse and surrounds at valuation \$	Plant and equipment at cost \$	Computer Software at cost \$
Balance at beginning of the financial year	2,050,000	7,353,750	946,180	3,760
Additions	-	482,056	174,451	-
Disposals	-	-	-	-
Depreciation expense	-	(197,811)	(210,029)	(1,522)
Transfers	-	-	-	-
Carrying amount at end of the financial year	<u>2,050,000</u>	<u>7,637,995</u>	<u>910,602</u>	<u>2,238</u>

	Poker Machines at cost \$	Poker Machines under lease \$	Total \$
Balance at beginning of the financial year	784,342	2,099	11,140,131
Additions	607,020	-	1,263,527
Disposals	(3,728)	-	(3,728)
Depreciation expense	(449,637)	(503)	(859,502)
Transfers	1,596	(1,596)	-
Carrying amount at end of the financial year	<u>939,593</u>	<u>-</u>	<u>11,540,428</u>

Note	2016	2015
	\$	\$

Note 9: Investment Property

Balance at beginning of the financial year	765,000	738,238
Additions	-	-
Disposals	-	-
Fair value adjustment	-	26,762
Carrying amount at end of the financial year	<u>765,000</u>	<u>765,000</u>

BERESFIELD BOWLING CLUB LIMITED

ACN: 163 531 691

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

	Note	2016	2015
		\$	\$
Note 9: Investment Property (cont'd)			

The fair value model is applied to all investment property. Investment property fair values are reviewed by the directors on an annual basis. Where material changes in the fair value arise as a result of the review, the difference is taken to the Income Statement. Investment properties were revalued in the prior financial year.

Note 10: Intangible Assets

Poker machine entitlements, at cost		<u><u>464,829</u></u>	<u><u>464,829</u></u>
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The Company has a total of 125 (2015: 125) poker machine entitlements. 105 (2015: 105) of these entitlements were granted to the Company at no cost. The value of these entitlements has not been recognised as an asset as they do not meet the recognition and measurement criteria of the applicable accounting standards.

(a) Movement in Carrying Amounts

	Poker machine entitlements	Total
	\$	\$
Balance at beginning of the financial year	464,829	464,829
Additions	-	-
Disposals	-	-
Carrying amount at end of the financial year	<u><u>464,829</u></u>	<u><u>464,829</u></u>

	Note	2016	2015
		\$	\$

Note 11: Trade and Other Payables

CURRENT

Unsecured liabilities:

Trade payables		175,690	269,033
Sundry payables and accrued expenses		420,051	382,820
		<u><u>595,741</u></u>	<u><u>651,853</u></u>

BERESFIELD BOWLING CLUB LIMITED

ACN: 163 531 691

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

	Note	2016	2015
		\$	\$
Note 12: Borrowings			
CURRENT			
Secured liabilities:			
Finance lease obligations	12(a)	-	1,750
Bank loans	12(b)	<u>372,000</u>	<u>315,981</u>
		<u>372,000</u>	<u>317,731</u>
NON-CURRENT			
Secured liabilities:			
Bank loans	12(b)	<u>343,000</u>	<u>-</u>
		<u>343,000</u>	<u>-</u>

(a) The finance lease obligations are secured against the assets under lease.

(b) The bank loans are secured by a first registered mortgage over the properties at Beresfield together with a first registered fixed and floating charge over the present and future assets of the Company.

Note 13: Provisions

(a) Movement in Carrying Amounts

	Employee entitlements	Total
	\$	\$
Balance at beginning of the financial year	347,983	347,983
Additional provisions	203,350	203,350
Amounts utilised	<u>(164,199)</u>	<u>(164,199)</u>
Carrying amount at end of the financial year	<u>387,134</u>	<u>387,134</u>

BERESFIELD BOWLING CLUB LIMITED

ACN: 163 531 691

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

	Note	2016	2015
		\$	\$
Note 13: Provisions (cont'd)			
(b) Analysis of Total Provisions			
Current		354,452	291,151
Non-Current		32,682	56,832
		387,134	347,983

(c) Provision for Short-term Employee Benefits

A provision has been recognised for employee benefits relating to annual leave and sick leave (where sick leave is vesting). The measurement and recognition criterion relating to employee benefits has been included in Note 1 of the financial statements.

(d) Provision for Long-term Employee Benefits

A provision has been recognised for employee benefits relating to long service leave. In calculating the present value of future cash flows for long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criterion relating to employee benefits has been included in Note 1 to the financial statements.

Note 14: Other Liabilities

CURRENT

Gaming promotions		50,776	46,100
Monies held in trust		31,613	28,501
Income in advance		15,996	16,727
Subscriptions in advance		44,432	47,857
		142,817	139,185

Note 15: Reserves

(a) Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non-current assets.

The balance of the revaluation surplus included in the asset revaluation reserve relating to the Morpeth property was transferred to retained earnings during the previous year following the disposal of the property. This amounted to \$268,031.

BERESFIELD BOWLING CLUB LIMITED

ACN: 163 531 691

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

	Note	2016	2015
		\$	\$
Note 16: Capital and Leasing Commitments			
(a) Finance Lease Commitments			
Payable - minimum lease payments			
No later than 12 months		-	1,764
Between 12 months and 5 years		-	-
		<u>-</u>	<u>1,764</u>
Less future finance charges		-	(14)
		<u>-</u>	<u>(14)</u>
Present value of minimum lease payments		<u>-</u>	<u>1,750</u>

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for at reporting date but not capitalised in the financial statements:

Payable - minimum lease payments			
No later than 12 months (excluding GST)		79,488	63,753
Between 12 months and 5 years (excluding GST)		257,014	95,170
Later than 5 years (excluding GST)		14,060	-
		<u>350,562</u>	<u>158,923</u>

(c) Capital Expenditure Commitments

There were no future capital expenditure commitments contracted for at reporting date not recognised elsewhere in the financial statements.

Note 17: Contingent Liabilities

An indemnity guarantee of \$5,000 (2015: \$5,000) existed at year end in relation the Company's TAB facilities.

There are no other contingent liabilities not otherwise disclosed in the financial statements.

Note 18: Events After the Reporting Period

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

BERESFIELD BOWLING CLUB LIMITED

ACN: 163 531 691

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

	Note	2016	2015
		\$	\$
Note 19: Key Management Personnel			
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director is considered key management personnel.			
Key management personnel compensation:			
Short-term benefits		339,182	321,492
Post-employment benefits		30,334	27,002
		<u>369,516</u>	<u>348,494</u>

Note 20: Related Party Transactions

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

There were no transactions with related parties during the financial year.

Note 21: Cash Flow Information

(a) Non-cash Financing and Investing Activities:

Included in the trade payables at year end is \$26,282 (2015: \$116,505) relating to capital expenditure.

BERESFIELD BOWLING CLUB LIMITED

ACN: 163 531 691

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

Note 22: Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, finance leases and bank loans.

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	2016	2015
		\$	\$
Financial assets:			
Cash and cash equivalents	4	1,480,257	1,476,166
Financial assets at amortised cost:			
Loans and receivables	5	31,180	22,282
Total financial assets		1,511,437	1,498,448
Financial liabilities:			
Financial liabilities at amortised cost:			
Trade and other payables	11	595,741	651,853
Borrowings	12	715,000	317,731
Total financial liabilities		1,310,741	969,584

Note 23: Company Details

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

Beresfield Bowling Club Limited
208 Anderson Drive
Beresfield NSW 2322

Note 24: 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 \$1 each towards meeting any outstanding obligations of the Company. At 31 May 2016, the number of members was 7,057 (2015: 6,805).

BERESFIELD BOWLING CLUB LIMITED

ACN: 163 531 691

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

Note 25: Core and Non-core Property

Pursuant to Section 41J(2) of the *Registered Clubs Act 1976* the classification of property held by the Company as at the end of the financial year ended 31 May 2016 is as follows:

Core Property:

Property Address	Current Usage
208 Anderson Drive, Beresfield NSW 2322	Clubhouse and licenced premises
Lots 1-13 DP 219795 Lenox Street, Beresfield NSW 2322	Members' and guests' car park
Lots 1-2 DP 729981 Lenox Street, Beresfield NSW 2322	Members' and guests' car park

Non-core Property:

Property Address	Current Usage
1 Lenox Street, Beresfield NSW 2322	Residential investment property
3 Lenox Street, Beresfield NSW 2322	Residential investment property
1 Lister Avenue, Beresfield NSW 2322	Residential investment property

The Registered Clubs Act requires the annual report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.

Core property is any real property owned or occupied by the Club that comprises:

- The defined premises of the Club; or
- Any facility provided by the Club for use of its members and their guests; or
- Any property declared by a resolution passed by a majority of the members present at a general meeting of ordinary members of the Club to be core property of the Club.

Non-core property is any other property other than that referred to above as core property and any other property which is declared by members at a general meeting of ordinary members of the Club not to be core property.

BERESFIELD BOWLING CLUB LIMITED

ACN: 163 531 691

DIRECTORS' DECLARATION

The directors of Beresfield Bowling Club Limited declare that:

1. The financial statements and notes, as set out on pages 7 to 30, are in accordance with the Corporations Act 2001 and:
 - a) comply with Australian Accounting Standards; and
 - b) give a true and fair view of the financial position of the Company as at 31 May 2016 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.



Des Skinner
Director



Michael Brent
Director

Dated this 12th day of July 2016

Beresfield Bowling Club Limited
ACN 163 531 691
Independent Audit Report to the members of
Beresfield Bowling Club Limited

Report on the Financial Report

We have audited the accompanying financial report of Beresfield Bowling Club Limited (the company), which comprises the statement of financial position as at 31 May 2016, the statement of profit or loss and other 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 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 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 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 entity'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

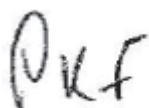
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Beresfield Bowling Club Limited, would be in the same terms if given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

Beresfield Bowling Club Limited
ACN 163 531 691
Independent Audit Report to the members of
Beresfield Bowling Club Limited

Opinion

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

- (i) giving a true and fair view of the company's financial position as at 31 May 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.



PKF
Chartered Accountants



CLAYTON HICKEY
Partner

Newcastle

Date: 12 July 2016