



NAMBUCCA
BOWLS CLUB

Your Club You're Invited

66th Financial Report

2015

To be presented at the Annual General Meeting

9.30am Sunday 27th September 2015

ABN 20 001 023 150

Nambucca Heads Bowling & Recreation Club Limited

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OFFICE BEARERS 2014-2015

PATRONS: E. Gannon and J. Phillips

CHAIRPERSON: M. Montgomery

VICE CHAIRMAN: J. Hogarth

HON. TREASURER: J. Wilson

DIRECTORS: J. Baker, K. Rostron, L. Hill, S. Campton (res.), T. Stokes (res.)

SECRETARY/CHIEF EXECUTIVE OFFICER: N. Hatch B.A., CA

AUDITORS: Hooykaas, Lawry, Valjan Chartered Accountants

NAMBUCCA HEADS MEN'S BOWLING CLUB

OFFICE BEARERS 2014-2015

PATRONS: E. Gannon and J. Phillips

PRESIDENT: I. Poletti

SENIOR VICE PRESIDENT: R. McLellan

JUNIOR VICE PRESIDENT: D. Lawrence

HON. SECRETARY: C. Evans

HON. TREASURER: M. Boyle

COMMITTEE: K. Rostron, L. Hill, W. Bennett & S. Campton

BOWLS ORGANISER: N. Pollard

KEN HOWARD MEMORIAL CARNIVAL COMMITTEE

OFFICE BEARERS 2014-2015

CHAIRMAN: I. Poletti

SECRETARY: C. Evans

COMMITTEE: M. Boyle, L. Hill, K. Rostron, J. Hogarth & D. Lawrence

NAMBUCCA HEADS WOMEN'S BOWLING CLUB

OFFICE BEARERS 2014-2015

PATRON: J. Hicking

PRESIDENT: B. Jones

VICE PRESIDENTS: J. Hicking and M. Blair

HON. SECRETARY: L. Hartmann

HON. TREASURER: M. Lawrence

MATCH COMMITTEE CHAIRPERSON: M. Pascoe

COMMITTEE: A. Duffus, K. Hooten, E. Reedy & B. Wilson

DELEGATES: B. Jones, L. Hartmann & M. Pascoe

PUBLICITY: P. Smith

SELECTION CHAIRPERSON: P. James

SOCIAL COMMITTEE CHAIRPERSON: L. Cheal

Nambucca Heads Bowling & Recreation Club Limited

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NOTICE TO ALL MEMBERS

**The Annual General Meeting of the Nambucca Heads
Bowling and Recreation Club Limited will be held at the Clubhouse,
Nelson Street, Nambucca Heads on Sunday, 27th September 2015 at 9.30am**

AGENDA

1. Meeting to be declared open and apologies received.
2. Minute of silence for departed members
3. To adopt and confirm the Minutes of the previous Annual General Meeting.
4. To receive and consider the reports of the Board of Directors for the year ended 31st May 2015.
5. To receive and consider the Declaration of Directors for the year ended 31st May 2015.
6. To receive and consider the Statement of Profit or Loss and other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cashflows for the year ended 31st May 2015 and the Auditors Report for that period.
7. The Election of the Board of Directors and Office Bearers for the Club as per the Club's Constitution.
8. To deal with the Ordinary Resolution in the notice herewith.
9. To deal with any other approved business of which due notice has been given.
10. To deal with any other business by way of recommendation to the Board of which the meeting may approve.
11. Closure

Members are requested to provide notice of any questions such as those relating to specific legislative or financial matters to the Clubs Secretary Manager at least ten (10) days prior to the Annual General Meeting, in order that the answers thereto may be researched, if required, and a complete answer given.

Dated at Nambucca Heads this 31st Day of August 2015

By direction of the Board of Directors

Paul Coulton

Secretary Manager

PROPOSED NOTICE OF RESOLUTION

The following Resolution is an ordinary resolution and must be passed by at least 50% of the members attending the meeting and entitled to vote on the resolution:

1. Pursuant to the Registered Clubs Act 1976, the members hereby approve and agree that the members of the Board, during the twelve (12) month period preceding the 2016 Annual General Meeting, receive the following benefit and the members further acknowledge that the benefits outlined in sub-paragraphs (i) to (v) below are not available to members generally but only those members who are elected Board Members of the Club and shall be limited to \$30,000.
 - (i) The reasonable cost of a meal and/or beverage for each Director when a Board or Committee Meeting corresponds with a normal meal time.
 - (ii) Reasonable expenses incurred by Directors in relation to such other duties including entertainment of special guests to the Club and other promotional activities performed by Directors which activities and the expenses therefrom are approved by the Board before payment is made on production of receipts, invoices or other proper documentary evidence of such expenditure.
 - (iii) The reasonable cost of provision of blazers, jackets, blouses and/or shirts and ties for use of Directors whilst engaged on Club business.
 - (iv) The reasonable cost of Directors attending meetings of ClubsNSW and

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- other associations of which the Club is a member.
- (v) The reasonable costs for the professional development and education of Directors including attendance at seminars, lectures, trade displays, study and fact finding tours and attendance to other clubs for the purpose of observing other clubs facilities and methods of operations, as may be determined by the Board from time to time.

NAMBUCCA HEADS MEN'S BOWLING CLUB **NOTICE TO MEMBERS**

The Annual General Meeting of the above Club will be held at the Clubhouse, Nelson Street, Nambucca Heads on Sunday, 27th September 2015 after completion of the Annual General Meeting of the Nambucca Heads Bowling & Recreation Club Limited

AGENDA

1. Consideration of the minutes of the 2014 Annual General Meeting.
2. Consideration of the President's Annual Report.
3. Consideration of the Income Statement for the year ending 31st May 2015.
4. Election of Committee.
5. Election of Sub-Committees.
6. Appointment of Patrons.
7. Consideration of Notices of Motion or Special Business.
8. Recommendations to the incoming Committee.

Chris Evans – Honorary Secretary
Nambucca Heads Men's Bowling Club

CHAIRPERSONS REPORT

2014 – 2015

Thank you to all members attending our 66th Annual General Meeting of the Nambucca Heads Bowling & Recreation Club Ltd, trading as Nambucca Bowls Club.

It has been my pleasure to be your Chairperson during a busy and demanding year. This was the first year when the Board was elected under the triennial rule. As per our Constitution at the first Board Meeting of the year (22nd September 2014) ballots were held to determine groups, group numbers and term of office by each member in the governing body elected by members. The Directors then appointed Chairperson, Vice Chairperson and Treasurer. The results displayed by the elected governing body of seven (7) members were:-

GROUP ONE	Holding office for ONE year, John Wilson, Syd Campton & Les Hill
GROUP TWO	Holding office for TWO years, John Hogarth & Ken Rostron
GROUP THREE	Holding office for THREE years, Jenny Baker & Marilyn Montgomery
CHAIRPERSON	Marilyn Montgomery
VICE CHAIRPERSON	John Hogarth
TREASURER	John Wilson

Three vacancies in the governing body are for election at this AGM.

A loss of \$84,479 has resulted from our trading activities this year mainly due to the expense of \$72,000 spent repairing the base of green 1 as was most strongly requested at our last AGM. Note, no insurance could be claimed. The office reconfiguration expense of \$17,000 is also included in this period. A very disappointing and well below budget result from the kitchen/dining. The kitchen cost centre has suffered due to high staff turnover, food price fluctuations, Meals on Wheels and reduction in sales by \$63,411. Unfortunately in July 2015 discussions with Lifetime Connect (Meals on Wheels) to renegotiate a fair value price increase failed, subsequently our partnership with Meals on Wheels ended. Our concentration will now be on Bistro type meals and themed meals such as seafood nights together with other theme types in the near future and functions.

There is no CEO Report for this 2014/2015 period following the resignation of Neil Hatch on the 5th June 2015 under an agreed, legally negotiated settlement; the terms on this will remain confidential by all parties. The Board and members wish Neil every success in all of his future endeavours.

Nambucca Bowls Club new branding can be seen around the Club, "Your Club, You're Invited", on our new web site, on Nambucca Strikers Football Club Jerseys, as we are their major sponsor, throughout promotional advertising, social media and our renovations. Stage one of our renovations have been completed and will continue, as we strive to update our facilities and services to the benefit of all members and guests to ensure our future. The Entrance, Foyer, Office, Sports HQ, Gaming and Lounge areas have been updated for your enjoyment and your comments have been positive. Thank you to all who have had input and tolerance with this project and made it happen; the results are great.

I wish to thank every one of our staff who despite many changes and high staff turnover throughout the year are committed to taking on the challenge each and every day to improve customer service with an overall strategy of creating satisfied customers/members and creating new customers/members. Training is welcomed and ongoing within our staff team to promote this continuous professional culture. A special mention goes to all staff for their efforts, assistance and tolerance working through the renovation time. Paul Coulton has accepted the position of probationary Secretary Manager offered by the Board and has presented several new concepts/ideas in operational matters to the Club and we look forward to working productively with him.

Congratulations to all bowlers, voluntary bowling committee members, umpires, coaches and players on a successful year; Go Bucca!

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Volunteers again have worked tirelessly assisting with most club functions. Thank you. Again I ask you to think about volunteering at your club if you can offer any service or time.

To Members, families and friends who have lost loved ones, I extend deepest sympathy on behalf of the Board and Club. Special mention however goes to Life Member Mrs Dennice Lorraine Cheal a club member for almost 30 years passed in April 2015. Lorraine was a committed voluntary worker with exemplary standards at every function, whether it be Women's Bowls, Buffets or Birthdays, she gave that special hand to service and her high standards are sadly missed. Gold Member Mrs Ivy Eades passed in July 2015 and we wish husband Ron our heartfelt sympathy.

All Board members are continually following the mandatory education programs promoted by ClubsNSW and attending Club Director Institute presentations to keep up with changes and trends in this competitive club industry. Well done to all Directors who have unselfishly given their time and service to the Board and Club; it has been a pleasure to work with you.

Kind regards to all Members and their families; keep happy and healthy.

Marilyn Montgomery
CHAIRPERSON

TREASURERS REPORT

2014-2015

On behalf of the Board of Directors, I present my comments on the financial results of the Club for the past year.

The Statement of Profit or Loss and Other Comprehensive Income records a Total Comprehensive Income loss for the year of \$84,479 which includes the greens renovation cost of \$72,000 and Bonus Points accrual of \$19,023.

Total income of \$2,801,949 reflects a 7.3% (\$221,034) decrease compared with the previous year. Poker Machine revenue is down \$29,368 (2.4%) and Bar Sales down \$42,374 (5.0%). Noting the weaker trading income, expenses were contained during the year and overall, expenses were reduced by \$36,359 or 1.3% compared to the previous year.

The Statement of Financial Position as at 31st May 2015 continues to reflect a healthy position with total assets of \$3,683,329, and the Clubs total liabilities increased slightly by \$5,002 compared to the previous year. It is pleasing to again note the total current assets at \$430,250 not only exceeds current liabilities of \$316,255 but also exceeds total liabilities of \$409,565. This continues to place the Club in a secure liquid position situation and has allowed the Board to confidently commence the renovations and improvements which have drawn positive feedback from members and guests.

I would like to acknowledge the generous contribution of our volunteers, our friendly and engaging staff and the continuing valued support of our members and community partners.

My fellow Directors have again worked diligently to serve the interests of members and the Club.

It is with pleasure that I recommend your adoption of the Clubs financial statements at our forthcoming Annual General Meeting.

John Wilson
TREASURER

**MEN'S BOWLING CLUB PRESIDENT REPORT
2014-2015**

It is with great pleasure that I can present you, the members, with my President's report for the financial year that has just concluded. It has been an enjoyable experience and a satisfying year upon reflection.

There have been many individual and team successes this year with perhaps the highlight being the success of our Number 2 Pennants team that were narrowly beaten at Zone level. Congratulations to all of those players, managers, umpires, selectors and coaches who all contributed to this success.

This year's Royal Tar event was a little longer than usual due to some weeks of inclement weather but we eventually managed to find our winners Ross McLellan, Terry Harvey and Ken Rostron. Congratulations to you and thank you to everyone else who participated in this successful event.

I would like to thank all of this year's committee for all of their hard work throughout the year. To all the volunteers, thank you. To this year's selectors, thank you for what is often considered a thankless job. Pennant players and managers, thank you and good luck next year. Thank you to the Board, Management and staff of Club Ltd for their support of Men's bowls throughout the year.

For those of you who have lost loved ones this year, I extend my sympathy and for anyone suffering from illness I wish you a speedy recovery.

To the incoming committee I trust that you will have a successful year.

Yours in bowling

Ian Poletti
PRESIDENT, NAMBUCCA HEADS MENS BOWLING CLUB

WOMEN'S BOWLING CLUB PRESIDENTS REPORT 2014-2015

It is an honour to present this my third and final Presidents Report.

Well, another very busy year has flown by, far too quickly and when I think back over all that we have achieved in this time I realise once again what a great club we have and that is thanks to all of you who make it so.

In the past year, we have lost more of our members, especially Lorraine Cheal, who put so much into this club over the years and probably still checks each Tuesday to see if we are doing the right thing with social, and would be keeping an eye on this meeting, also Ivy Eades just this last week.

To those who haven't been well, like my Vice Presidents, Nita and Moira, I wish you better health in the coming year.

To families and all of you who have lost love ones or not been well in the past year my thoughts and prayers are with you all.

This year we never quite made the pennant play offs although all teams gave it their best shot, so wait until 2016. We did well at District level, with a big well done to Manor Smith winning the Champion of Champions in 2014 and backing up earlier this year with Gloria Richardson to win the District Pairs, they will now go to Yamba to compete in the Regional play offs. Good luck girls, the club is proud of you both.

The Hibiscus Pairs was well attended with many players hoping to be back this year. The attendance at our Audrey Abercrombie Carnival was disappointing, with only 2 District Clubs, Macksville and Urunga supporting us this year, but the 10 teams that did play enjoyed it, hopefully we can have this rectified in 2016.

Once again, you all helped to make our Charity Day very successful with \$1000 going to the Nambucca Valley Support Group. Also to Bev Swan, who donated a lovely painting which was raffled, thank you.

Our Gala Day was another example of your generosity and went off very well, making it a mixed day worked very well and the men have asked to be included again in these days.

I would like to thank all of you who did all the hard work that made my Presidents Day such a memorable occasion. It was wonderful to have Pat Smith made a life member of the Women's Bowling Club at the Club AGM, in recognition for all that she has contributed to us over the past years.

To finish I would like to thank Lyn Hartmann, who has done all the hard work organising so many things and keeping things on an even keel, to Margaret for the time she has put in being the treasurer. To my Vice Presidents, Moira and Nita, thank you both for all your support. To my own committee who are always here to man the tables with lunch orders, raffles and collecting money, Maria and her girls on match for a job well done, keeping everything going so smoothly throughout the year. To Pam and her team, who have a difficult job each week juggling teams and for picking winning sides in pennants, great job girls. To the girls on social for all their hard work through the year and all those who helped out when they needed back up, I know it was hard on you all, your efforts are really appreciated by us all and make us envied by many other clubs, Thank You. To Pat for publicity, Edith for welfare and Jean for the flowers and money boards, our Patron Nita, without you all this club would not run so smoothly. To all the rest of you goes my thanks as well, we may be small in numbers but whenever called on, your help and generosity is always given so freely. You are a wonderful group of people and this is what makes our club such a friendly one. My heartfelt thanks go out to you all for making my three years so enjoyable.

Bev Jones
PRESIDENT, NAMBUCCA HEADS WOMEN'S BOWLING CLUB

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Directors Report for the year ended 31st May 2015

Your directors present this report on the entity for the financial year ended 31st May 2015.

Directors

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

Marilyn Ann Montgomery	–	Chairperson
Qualifications	–	Business Proprietor
Experience	–	Previous Director/Vice Chairman
Special Responsibilities	–	Building Committee
John Richard Wilson	–	Treasurer
Qualifications	–	Company Accountant
Experience	–	Previous Treasurer/Director
Special Responsibilities	–	Finance Director
John Russell Hogarth	–	Vice Chairperson
Qualifications	–	Bank Manager/Retired
Experience	–	Previous Director
Special Responsibilities	–	Assets & Future Development Director/Building Committee
Tony Raymond Stokes	–	Director
Qualifications	–	Teacher/Retired
Experience	–	Previous Director
Special Responsibilities	–	I.T. & Strategic Planning
	–	Did not seek re-election at AGM 21 st September 2014
Jennifer Leigh Baker	–	Director
Qualifications	–	Customer Service Centre Manager
Experience	–	Business Manager
Special Responsibilities	–	Social & Members Relationships
Kenneth John Rostron	–	Director
Qualifications	–	Retired Greenkeeper
Experience	–	Previous Secretary Manager of another club
Special Responsibilities	–	Greens and Maintenance Director
Leslie Arthur Hill	–	Director
Qualifications	–	Finance Administrator
Experience	–	Director of various organisations
Special Responsibilities	–	I.T. and Strategic Planning
	–	Appointed at AGM 21 st September 2014
Sydney Campton	–	Director
Qualifications	–	Business Proprietor
Experience	–	Director of various organisations
Special Responsibilities	–	I.T. and Strategic Planning

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- Appointed at AGM 21st September 2014
- Resigned 5th December 2014

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

Principal Activities

The principal activities of the entity during the financial year were the promotion of lawn bowls, and the provision of amenities to members and their guests. No significant change in the nature of these activities occurred during the year.

How the Club measures its performance

The Club measures its performance based on:

- a) The number of members and guests that the Club has attracted during the year: and
- b) The level of surplus/loss generated by each of the Club's key operating areas: and
- c) The improvements undertaken to the Club's facilities and additional services to members

Operating Results

The total comprehensive income/(loss) of the entity for the reporting period was (\$84,479)
(2014 - \$175,521)

Short and Long term objectives of the Club

The Clubs objectives focus on:

- a) The development and delivery of premium Club facilities and services to its members and guests: and
- b) The promotion of the social welfare of the Club's members and community sports and recreational organisations: and
- c) The retention of customers on a year to year basis with increased customer satisfaction to a rating of "high" for all facilities and services offered by the Club.

Strategy for achieving these objectives

The Clubs Strategic Plan to achieve the Clubs objectives is to:

- a) Grow the market share for the existing business and increase revenue on operating activities whilst controlling and minimising related expenses: and
- b) Retain market share by investing in appropriate technology available within expenditure constraints: and
- c) Monitor cash flows to achieve debt reduction appropriate to anticipated business activity and forecasts: and
- d) Further develop the management team by encouraging, supporting and assisting access to higher educational training and development.
- e) Adopt and maintain the Strategic Planning document to assist and promote the Clubs growth and service provisions to members

Meetings of Directors

During the financial year, 22 meetings of directors were held. Attendances by each director were as follows:

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Director's Name	Number eligible to attend	Number attended
Marilyn Ann Montgomery	22	21
John Richard Wilson	22	21
John Russell Hogarth	22	20
Tony Raymond Stokes	5	5
Sydney Campton	4	3
Jennifer Leigh Baker	22	21
Kenneth John Rostron	22	21
Leslie Arthur Hill	16	16

In addition to the above Board Meetings, the relevant Directors agreed by the Board have also attended informal meetings of the Building Committee and Executive Remuneration Committee as required during the reporting period.

Corporate Information

The Club is a "not for profit" entity, registered as a company limited by guarantee. Under its constitution the company is prohibited from the payment of dividends to its members. Any surplus on winding up will be distributed to an organisation which has similar objects as dictated by the Constitution.

If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$1 each towards any outstanding obligations of the company.

At 31st May 2015, the total amount that members of the company are liable to contribute if the company wound up is \$ 1794 (2014 - \$1946)

Indemnifying Officers or Auditors

The Club has not during or since the financial year in respect of any person who is or has been an officer or auditor of the club:

- a) Indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings: or
- b) Paid or agreed to pay a premium in respect of a contract insuring against a liability as an officer for the costs or expenses to defend the legal proceedings; with the exception of the following matters:

During or since the end of the financial year, the club has given indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The club has paid premiums to insure each director against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity as director of the club, other than conduct involving a wilful breach of duty in relation to the club.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31st May 2015 has been received and can be found on page 14 & 33-34 of the financial report.

Signed in accordance with a resolution of the Board of Directors made pursuant to Section 298(2) of

Nambucca Heads Bowling & Recreation Club Limited

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the Corporations Act (2001)

M. Montgomery

Chairperson

Dated this 31st August 2015

J. R. Wilson

Treasurer

CLUB PROPERTY DECLARATIONS

Pursuant to Section 41J(2) of the Registered Clubs Act the Directors declare that, for the financial year ended 31st May 2013, the classifications of the property held are as follows:

<u>Property address</u>	<u>Current Usage</u>	<u>Classification</u>
Lot 8 in DP758749	Club house, grounds, car park and greens	Core
Lot 422 in DP755550	Club house, greens and grounds	Core
Lot 2 in DP46053	Club house & grounds	Core
Lot 2 in DP113103	Greens & grounds	Core
Lot 1 in DP75849	Club grounds	Non Core
Lot 2 in DP830617	17 Bank Street Nambucca Heads	Non Core
Lot 1 in DP836017	19 Bank Street Nambucca Heads	Non Core

1. Section 41J(2) of 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.

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

(a) The defined premises of the Club; or

(b) Any facility provided by the Club for use of its members and their guests; or

(c) Any other 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.

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

4. The significance of the distinction between core property and non core property is that the Club cannot dispose of any core property unless:

(a) The property has been valued by a registered valuer within the meaning of

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the Valuers Act 2003; and

(b)The disposal has been approved at a general meeting of the ordinary members of the club at which the majority of the votes cast support the approval; and

(c)Any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.

5. These disposal provisions and what constitutes a disposal for the purposes of section 41J are to some extent modified by regulations made under the Registered Clubs Act and by Section 41J itself. For example, the requirements in paragraph 4 above do not apply to:

- Core property that is being leased or licenced for a period not exceeding 10 years on terms that have been the subject of a valuation by a registered valuer
- Core property that is leased or licensed to a telecommunications provider for the purposes of a telecommunications tower

Signed in accordance with a resolution of the Board of Directors

M. Montgomery

Chairperson

J. R Wilson

Treasurer

Dated this day 31st August 2015



**Auditors Independence Declaration under Section 307C of the
Corporations Act 2001**

To the Directors of Nambucca Heads Bowling & Recreation Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 May 2015, there have been:

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

A handwritten signature in black ink, appearing to read 'A. Hooykaas'. The signature is written in a cursive, flowing style.

Hooykaas Lawry Valjan

Aart Hooykaas
Partner

7 Mann Street

Nambucca Heads, NSW

17 August 2015

Nambucca Heads Bowling & Recreation Club Limited

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Statement of Profit or Loss and Other Comprehensive Income

31 May 2015

	Note	2015 \$	2014 \$
INCOME			
Poker Machine Revenue		1,183,108	1,212,476
Bar Sales		796,955	839,329
Dining Room Sales		500,943	564,354
Commissions		75,946	77,362
Green Fees		40,202	43,264
Membership Subscriptions		4,235	9,391
Club Raffles		82,597	90,694
Fundraising & Donations		41,144	43,742
Gaming Offset Rebate		17,180	17,180
Insurance Recovery		-	63,250
Bank Interest		10,870	6,982
Rental Income		13,484	14,045
Gain on Disposal of Asset	5(a)	-	6,891
Other income		35,285	34,023
Total Income		2,801,949	3,022,983
EXPENSES			
Cost of Goods Sold - Bar		(341,496)	(389,618)
Cost of Goods Sold - Dining Room		(278,349)	(288,380)
Employee benefits expense		(1,036,781)	(991,055)
Depreciation and amortisation expense	5(a)	(178,023)	(168,163)
Finance costs		(9,276)	(5,828)
Repairs & Maintenance		(165,662)	(173,666)
Entertainment & Promotions		(272,248)	(262,787)
Poker Machine Tax		(87,198)	(93,275)
Loss on Disposal of Assets	5(a)	(6,015)	(1,963)
Other operating expenses		(511,380)	(529,029)
Total Expenses		(2,886,428)	(2,903,764)
Profit before income tax		(84,479)	119,219
Income tax expense	1(k)	-	-
Profit for the year		(84,479)	119,219
Other comprehensive income:			
Net gain on revaluation of land and buildings	5	-	56,302
Total comprehensive income/(loss) for the year		(84,479)	175,521

The accompanying notes form part of these financial statements.

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Statement of Financial Position

31 May 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	358,026	417,375
Trade and other receivables	3	12,729	14,701
Inventories	4	43,030	73,927
Other assets	7	16,465	7,949
TOTAL CURRENT ASSETS		<u>430,250</u>	<u>513,952</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	3,159,908	3,136,660
Intangible assets	6	93,171	93,171
TOTAL NON-CURRENT ASSETS		<u>3,253,079</u>	<u>3,229,831</u>
TOTAL ASSETS		<u><u>3,683,329</u></u>	<u><u>3,743,783</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	184,915	225,371
Borrowings	9	50,683	19,280
Short-term provisions	10	21,631	17,539
Employee benefits	12	40,218	55,669
Income in advance	11	18,808	24,501
TOTAL CURRENT LIABILITIES		<u>316,255</u>	<u>342,360</u>
NON-CURRENT LIABILITIES			
Borrowings	9	73,182	27,292
Employee benefits	12	20,128	15,888
TOTAL NON-CURRENT LIABILITIES		<u>93,310</u>	<u>43,180</u>
TOTAL LIABILITIES		<u>409,565</u>	<u>385,540</u>
NET ASSETS		<u><u>3,273,764</u></u>	<u><u>3,358,243</u></u>
EQUITY			
Reserves		1,148,501	1,148,501
Retained earnings		2,125,263	2,209,742
TOTAL EQUITY		<u><u>3,273,764</u></u>	<u><u>3,358,243</u></u>

The accompanying notes form part of these financial statements.

Nambucca Heads Bowling & Recreation Club Limited

20 001 023 150

Statement of Changes in Equity

For the Year Ended 31 May 2015

2015

	Retained Earnings	Revaluation Reserve	Total
Note	\$	\$	\$
Balance at 1 June 2014	2,209,742	1,148,501	3,358,243
Profit/ (Loss) for the year	(84,479)	-	(84,479)
Balance at 31 May 2015	<u>2,125,263</u>	<u>1,148,501</u>	<u>3,273,764</u>

2014

	Retained Earnings	Revaluation Reserve	Total
Note	\$	\$	\$
Balance at 1 June 2013	2,090,523	1,092,199	3,182,722
Profit / (Loss) for the year	119,219	-	119,219
Revaluation increment (decrement)	-	56,302	56,302
Balance at 31 May 2014	<u>2,209,742</u>	<u>1,148,501</u>	<u>3,358,243</u>

The accompanying notes form part of these financial statements.

Nambucca Heads Bowling & Recreation Club Limited

20 001 023 150

Statement of Cash Flows

For the Year Ended 31 May 2015

	2015	2014
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	3,057,260	\$ 3,296,410
Payments to suppliers and employees	(3,021,189)	(3,051,561)
Interest received	10,870	6,982
Interest paid	(9,276)	(5,828)
Net cash provided by (used in) operating activities	20 <u>37,665</u>	<u>246,003</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(49,830)</u>	(50,745)
Net cash used by investing activities	<u>(49,830)</u>	<u>(50,745)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	20,000	-
Repayment of borrowings	(27,604)	(7,100)
Payment of finance lease liabilities	(39,633)	(31,392)
Net cash used by financing activities	<u>(47,237)</u>	<u>(38,492)</u>
Net increase (decrease) in cash and cash equivalents held	(59,402)	156,766
Cash and cash equivalents at beginning of year	417,375	260,609
Cash and cash equivalents at end of financial year	2 <u>357,973</u>	<u>\$ 417,375</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 May 2015

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

The principle activities of the Company for the year ended 31 May 2015 were operating as a Registered Club.

The functional and presentation currency of Nambucca Heads Bowling & Recreation Club Limited is Australian dollars.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

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

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

(b) Comparative figures

Comparatives are consistent with prior years, unless otherwise stated.

(c) Inventories

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

(d) Property, plant and equipment

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

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against this reserve directly in equity; all other decreases are charged to the statement of profit or loss and other comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Notes to the Financial Statements

For the Year Ended 31 May 2015

1 Summary of Significant Accounting Policies continued

(d) Property, plant and equipment continued

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

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

Depreciation

The depreciable amount of plant & equipment is depreciated on a diminishing value basis and prime cost (depending on the asset) over the asset's useful life to the Company commencing from the time the asset is held ready for use. Buildings are depreciated under the prime cost method. Land is not depreciated.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5% - 4%
Plant and Equipment	10% - 30%
Furniture, Fixtures and Fittings	15% - 40%

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

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

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

(e) Financial instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest

Notes to the Financial Statements

For the Year Ended 31 May 2015

1 Summary of Significant Accounting Policies continued

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

Amortised cost is calculated as:

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

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

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

(i) *Loans and receivables*

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

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

(ii) *Financial liabilities*

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

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

(f) **Impairment of non-financial assets**

At the end of each reporting year, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Value in use is either the discounted cash flows relating to the asset or depreciated replacement cost if the criteria in AASB 136 'Impairment of Assets' are met.

Notes to the Financial Statements

For the Year Ended 31 May 2015

1 Summary of Significant Accounting Policies continued

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

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

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(g) Cash and cash equivalents

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

(h) Employee benefits

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

Employee benefits payable later than one year have been measured at the 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. The effect of discounting is not considered material and therefore has not been performed.

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

(i) 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.

(j) 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.

(k) Income tax

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

Notes to the Financial Statements

For the Year Ended 31 May 2015

1 Summary of Significant Accounting Policies continued

(l) 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.

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

(m) Revenue and other income

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

Sale of goods

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Rendering of services

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

Rental income

Rental property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Subscriptions

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

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

Notes to the Financial Statements

For the Year Ended 31 May 2015

1 Summary of Significant Accounting Policies continued

(n) Goods and services tax (GST)

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

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

(o) Critical accounting estimates and judgments

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

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

The significant estimates and judgements made relate to depreciation rates and long service leave entitlements.

(p) Adoption of new and revised accounting standards

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

- AASB 13 *Fair Value Measurement*
- AASB 119 *Employee Benefits*
- AASB 2012-9 *Amendments to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039*
- AASB 2012-2 *Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities*

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

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

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

Notes to the Financial Statements

For the Year Ended 31 May 2015

1 Summary of Significant Accounting Policies continued

(p) Adoption of new and revised accounting standards continued

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

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

2 Cash and Cash Equivalents

	2015	2014
	\$	\$
Cash at bank and in hand	127,536	143,647
Short-term bank deposits	230,490	273,728
	<u>358,026</u>	<u>417,375</u>

3 Trade and Other Receivables

	2015	2014
	\$	\$
CURRENT		
Other receivables	12,729	14,701
Total trade and other receivables	<u>12,729</u>	<u>14,701</u>

4 Inventories

	2015	2014
	\$	\$
CURRENT		
At cost:		
Bar and Catering Stock	42,494	55,630
Other Inventory and Consumables	536	18,297
Total Inventories	<u>43,030</u>	<u>73,927</u>

Notes to the Financial Statements

For the Year Ended 31 May 2015

5 Property, Plant and Equipment

	2015	2014
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At directors' valuation	1,187,000	1,187,000
Buildings		
At directors' valuation	1,204,046	1,177,346
Accumulated depreciation	(19,150)	-
Total buildings	<u>1,184,896</u>	<u>1,177,346</u>
Total land and buildings	<u>2,371,896</u>	<u>2,364,346</u>
PLANT AND EQUIPMENT		
Plant and Equipment at cost	1,871,887	1,887,582
Accumulated depreciation	<u>(1,377,762)</u>	<u>(1,444,418)</u>
Total plant and equipment	<u>494,125</u>	<u>443,164</u>
BOWLING GREENS AT COST		
Accumulated depreciation	(287,532)	(252,269)
Accumulated impairment losses	<u>(26,099)</u>	<u>(26,099)</u>
Total Bowling Greens	<u>293,887</u>	<u>329,150</u>
Total property, plant and equipment	<u>3,159,908</u>	<u>3,136,660</u>

The Company's land and buildings were revalued at 31 May 2014 by independent valuers. Valuations were made on the basis of open market value in an arm's length transaction based on similar properties in the area. The valuation resulted in a revaluation increase of \$56,302 being recognised in Other Comprehensive Income and as an increase in the Revaluation Surplus for the year ended 31 May 2014.

As at 31 May 2015, the directors have performed a directors' valuation on the freehold land and buildings. The directors have reviewed the key assumptions adopted by the values in 2014 and do not believe there has been a significant change in the assumptions at 31 May 2015. The directors therefore believe the carrying value of the land correctly reflects the fair value less cost to sell at 31 May 2015.

The Clubs non-core property at 17 and 19 Bank Street is included in the Land and Buildings as it is being held for strategic purposes.

Notes to the Financial Statements

For the Year Ended 31 May 2015

(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:

Parent	Land \$	Buildings \$	Plant and Equipment \$	Bowling Greens \$	Total \$
Year ended 31 May 2015					
Balance at beginning of the year	1,187,000	1,177,346	443,164	329,150	3,136,660
Additions	-	26,700	180,676	-	207,376
Disposals - written down value	-	-	(6,105)	-	(6,105)
Depreciation Expense	-	(19,150)	(123,610)	(35,263)	(178,023)
Balance at the end of the year	1,187,000	1,184,896	494,125	293,887	3,159,908

6 Intangible Assets

	2015 \$	2014 \$
Poker Machine Entitlements Cost	113,171	113,171
Accumulated amortisation and impairment	(20,000)	(20,000)
Total Intangibles	93,171	93,171

The poker machine entitlements are licenses purchased under current government regulation that allow the club to increase the number of poker machines it operates. It is considered that the life of the entitlements is indefinite, so the cost cannot be amortised. However, under the applicable accounting standards, intangible assets must be tested annually for impairment. Impairment on an asset occurs when the value of the carrying amount exceeds the recoverable amount. When this occurs the value of the asset must be reduced to the lower amount with the resulting loss being shown in the Statement of Comprehensive Income. The total write down recognised to date is \$20,000 as shown above. No movement was recognised this or last year as the estimated value in use of the Cash Generating Unit exceeds the carrying amount.

7 Other Assets

	2015 \$	2014 \$
CURRENT Prepayments	16,465	7,949

8 Trade and Other Payables

	2015 \$	2014 \$
CURRENT Trade payables	118,122	77,225
GST payable	(766)	17,414
Accrued Annual Leave	20,934	58,957
Accrued expenses	23,167	26,701
Other payables	23,458	45,074
	184,915	225,371

Notes to the Financial Statements

For the Year Ended 31 May 2015

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

	2015	2014
	\$	\$
Trade and other payables:		
- total current	184,915	225,371
Less:		
annual leave entitlements	(20,934)	(58,957)
Financial liabilities as trade and other payables	14 <u>163,981</u>	<u>166,414</u>

9 Borrowings

	2015	2014
	\$	\$
CURRENT		
Bank overdraft	53	-
Lease liability secured	13(a) <u>40,992</u>	9,642
Bank loans	<u>9,638</u>	9,638
Total current borrowings	<u><u>50,683</u></u>	<u>19,280</u>

	2015	2014
	\$	\$
NON-CURRENT		
Lease liability secured	13(a) <u>53,494</u>	-
Bank loans	<u>19,688</u>	27,292
Total non-current borrowings	<u><u>73,182</u></u>	<u>27,292</u>

Summary of borrowing arrangements:

a) The Club has a commercial variable rate loan repayable by November 2018. Current minimum monthly payments are \$803.20 based on the balance due at report date. The debt is secured by registered first mortgages over land and improvements, being the club premises at Nelson Street, Nambucca Heads, and the properties at 17 & 19 Bank Street, Nambucca Heads, together with an equitable mortgage over all of the assets of the Club including the liquor license. The carrying amounts of these assets pledged as security are set out in notes (2) to (7) in these financial statements.

b) A Business Line of Credit facility of \$300,000, repayable by variable interest only payments. The Club has not utilised this loan facility during the financial year.

10 Provisions

	2015	2014
	\$	\$
CURRENT		
Bonus Points Provision	21,631	17,539

Notes to the Financial Statements

For the Year Ended 31 May 2015

11 Income in Advance

	2015	2014
	\$	\$
Subscriptions in Advance	9,866	10,098
Other income in advance	8,942	14,404
	<u>18,808</u>	<u>24,502</u>

12 Employee Benefits

	2015	2014
	\$	\$
Current liabilities		
Long service leave	40,218	55,669
Non-current liabilities		
Long service leave	20,128	15,888

(a) Reconciliations

	2015	2014
	\$	\$
Beginning of the year	71,557	73,131
Current service cost	2,744	7,521
Past service cost	-	(3,080)
Benefits paid	(13,955)	(6,015)
End of year	<u>60,346</u>	<u>71,557</u>

13 Leasing Commitments

(a) Finance leases

	2015	2014
	\$	\$
Minimum lease payments:		
- not later than one year	40,992	9,642
- between one year and five years	53,494	-
Minimum lease payments	<u>94,486</u>	<u>9,642</u>

Finance leases relate to the lease agreements for Poker Machines and their related Type 4 licenses for terms of 36 months effective June 2014 and July 2014. The liability is secured by the underlying assets.

(b) Operating leases

	2015	2014
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	6,751	6,751
- between one year and five years	7,814	14,565
	<u>14,565</u>	<u>21,316</u>

Notes to the Financial Statements

For the Year Ended 31 May 2015

The operating lease commitments are non-cancellable lease contracted for but not capitalises in the financial statements.

These agreements relate to the lease of a Multiscreen Communication System effective January 2013 for a term of 48 months and a Multifunction Photocopier effective May 2013 for a term of 60 months. No capital commitments exist in regards to these lease commitments at year end.

14 Financial Risk Management

The main risks Nambucca Heads Bowling & Recreation Club Limited is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

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

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2015	2014
	\$	\$
Financial Assets		
Cash and cash equivalents	358,026	417,375
Total financial assets	358,026	417,375
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	163,981	166,414
- Borrowings	123,865	46,572
Total financial liabilities	287,846	212,986

15 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 debts and obligations of the Company. At 31 May 2015 the number of members was 1, 794 (2014: 1,246). * (*please note error that should have read 1,946)

16 Interests of Key Management Personnel

The total remuneration paid to key management personnel of the Company is \$ 178,479 (2014: \$ 338,723).

17 Contingent Liabilities and Contingent Assets

In the opinion of the Directors, the Company did not have any contingencies at 31 May 2015 (31 May 2014: None).

18 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.

Notes to the Financial Statements

For the Year Ended 31 May 2015

19 Capital Expenditure Commitments

Between the end of the financial year until the date of this report the Club had committed to the following capital expenditure:

- Renovations to the Gaming, TAB, Sports lounge and office. The total cost of the renovations was approximately \$120,000.

20 Cash Flow Information

(a) Reconciliation of cash

	2015	2014
	\$	\$
Cash at bank and in hand	127,536	143,647
Short-term deposits	230,490	273,728
Bank overdrafts	(53)	-
Total Cash & Cash Equivalents	357,973	417,375

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

Reconciliation of net income to net cash provided by operating activities:

	2015	2014
	\$	\$
Profit/ (Loss) for the year	(84,479)	119,219
Non-cash flows in profit:		
- depreciation	178,023	168,163
- net (gain)/ loss on disposal of property, plant and equipment	6,015	(4,928)
Changes in current assets and liabilities:		
- (increase)/decrease in trade and other receivables	1,972	7,614
- (increase)/decrease in prepayments	(8,516)	(1,645)
- (increase)/decrease in inventories	30,897	(4,422)
- increase/(decrease) in income in advance	(5,694)	3,311
- increase/(decrease) in trade and other payables	(73,434)	(55,091)
- increase/(decrease) in provisions	4,092	15,356
- increase/(decrease) in employee benefits	(11,211)	(1,574)
Cashflow from operations	37,665	246,003

21 Events after the end of the Reporting Period

The financial report was authorised for issue on 17 August 2015 by the Board of Directors.

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

Directors' Declaration



The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 15 to 31, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 31 May 2015 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Chairperson.....
Marilyn Montgomery

Treasurer.....
John Wilson

Dated 17 August 2015

Independent Audit Report to the members of Nambucca Heads Bowling & Recreation Club Limited

Report on the Financial Report

We have audited the accompanying financial report of Nambucca Heads Bowling & Recreation Club Limited, which comprises the statement of financial position as at 31 May 2015, 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independence

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

Independent Audit Report to the members of Nambucca Heads Bowling & Recreation Club Limited

Opinion

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

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



Hooykaas Lawry Valjan

Aart Hooykaas
Partner

7 Mann Street

Nambucca Heads, NSW

17 August 2015

Nambucca Heads Bowling & Recreation Club Ltd.

COMBINED CLUB DONATIONS AS AT 31ST MAY 2015

JUNIOR SPORTING BODIES

Nambucca Heads High School	\$ 550.00	Rivers Netball Club	\$ 420.00
Sparra's Fitness (junior boxing)	\$ 660.00	Bowraville Junior Rugby League	\$ 420.00
St Patricks Primary School	\$ 125.00	Nambucca Valley Strikers	\$ 1307.60
Beaches Netball Club	\$ 420.00	Nambucca Valley Netball	\$ 420.00
Little Athletics	\$ 420.00	Nambucca Junior Rugby League	\$ 480.00
Macksville Falcons Junior Touch	\$ 360.00	Nambucca Junior Surf Lifesaving	\$ 420.00

BOWLS

Nambucca Heads Women's Bowling Club	\$ 1135.70	Nambucca Heads Men's Bowling Club	\$ 1780.00
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OTHER

United Hospital Auxiliary Bingo	\$ 3210.00	Nambucca Heads Mens Shed	\$ 2000.00
Daffodil Day (Cancer)	\$ 320.00	Red Cross	\$ 100.00
Nambucca Valley Legacy	\$ 220.00	Offshore Fishing Club	\$ 260.00
Nambucca Valley Darts Ass.	\$ 500.00	Camp for hearing Impaired Children	\$ 100.00
Nambucca Valley Country Music	\$ 1031.70	Various	\$ 900.00
Cancer Council	\$ 1200.00	Nambucca Croquet Club	\$ 364.00
Movember	\$ 345.00	Eclipse Bowls	\$ 1231.00
McHappy Day	\$ 100.00	Jayde Hill (athlete)	\$ 100.00

TOTAL DONATIONS \$20900.00



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