

# **Hat Head Bowling And Recreation Club Ltd**

**Financial Statements**

**For the Year Ended 31 March 2018**



# Hat Head Bowling And Recreation Club Ltd

## Directors' Report

31 March 2018

Your directors present their report on Hat Head Bowling And Recreation Club Ltd for the financial year ended 31 March 2018.

### 1. General information

#### Directors

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

Names	Position	Appointed/Resigned
David Johnston	Director	28/06/15
Margaret Meier	Director	28/06/15
Robert Neilson	Director	25/06/17
Gary James	Director	28/06/15
Matt Lovenfosse	Director	28/06/15
Bryan Willet Jr	Director	24/06/12 / 21/09/17
Narelle Cochrane	Director	25/06/17 / 19/01/18
Ricky Everson	Director	20/03/17 / 03/08/17
Veronica Matsen	Director	19/01/18
Carolyn Mainey	Director	19/01/18

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 activity of Hat Head Bowling And Recreation Club Ltd during the financial year was for the provision of bowling and recreation facilities for members and their guest.

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

The profit of the Club after providing for income tax amounted to \$ 47,796 (2017: \$ (67,324)loss ).

#### Short term objectives

The Club's short term objectives are to:

- Carry out required capital repairs, including the renovation and rejuvenation of the bar area.
- Promote the new restaurant facilities.
- Improve staff knowledge regarding appropriate customer contact.
- Maintain a healthy working environment.
- Provide and promote sports, recreation, leisure & learning facilities for the whole community.

## Directors' Report

31 March 2018

### 1. General information Long term objectives

The Club's long term objectives are to:

- Increase membership in the club.
- Improve customer service and facilities.
- Maintain cash reserves at an acceptable level.

### Strategy for achieving the objectives

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

- Increase advertising regarding the clubs activities.
- Continued monitoring of Cashflow and profit margins.
- Ongoing training of employees and volunteers.
- Improving Directors Knowledge.

### Members' guarantee

Hat Head Bowling And Recreation Club Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$2 for members that are corporations and \$2 for all other members, subject to the provisions of the company's constitution.

At 31 March 2018 the collective liability of members was \$ 2,294 (2017: \$ 1,552).

# Hat Head Bowling And Recreation Club Ltd

## Directors' Report

31 March 2018

### Meetings of directors

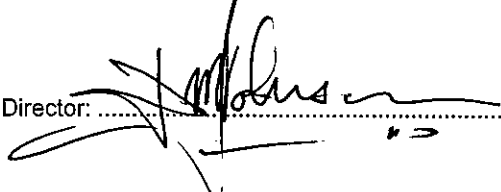
During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
David Johnston	12	11
Margaret Meier	12	12
Robert Neilson	8	8
Gary James	12	9
Matt Lovenfosse	12	9
Brian Willet Jr	6	5
Narelle Cochrane	6	5
Ricky Everson	2	2
Veronica Matsen	3	3
Carolyn Mainey	3	3

### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 March 2018 has been received and can be found on page 4 of the financial report.

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

Director:  .....

Director:  .....

Dated 25 May 2018

**Hat Head Bowling And Recreation Club Ltd**

**Auditors Independence Declaration under Section 307C of the  
Corporations Act 2001 To the Board Hat Head Bowling And  
Recreation Club Ltd**

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2018, 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.



Dan Wade  
Wrights Chartered Accountants

25 May 2018

Kempsey NSW

## Hat Head Bowling And Recreation Club Ltd

### Statement of Profit or Loss For the Year Ended 31 March 2018

	Note	2018 \$	2017 \$
Revenue	14	1,490,271	1,240,402
Other income		55,061	13,892
Changes in inventories of finished goods and work in progress		(460,573)	(375,881)
Employee benefits expense		(493,949)	(429,521)
Depreciation and amortisation expense	a	(104,267)	(89,320)
Gaming expenses		(45,745)	(45,331)
Repairs and maintenance		(40,423)	(41,587)
Electricity		(52,352)	(39,142)
Shire rates		(25,521)	(19,069)
Operating expenses		(88,794)	(88,208)
Other expenses		(185,912)	(193,559)
<b>Surplus before income taxes</b>		<b>47,796</b>	<b>(67,324)</b>
Income tax expense		-	-
<b>Surplus from continuing operations</b>		<b>47,796</b>	<b>(67,324)</b>
<b>Surplus for the year</b>		<b>47,796</b>	<b>(67,324)</b>

The accompanying notes form part of these financial statements.

Hat Head Bowling And Recreation Club Ltd

**Statement of Financial Position**

31 March 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	617,128	665,874
Trade and other receivables	5	8,742	9,744
Inventories	4	44,248	31,999
<b>TOTAL CURRENT ASSETS</b>		<b>670,118</b>	<b>707,617</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	5,000	5,000
Investments	6	-	750
Property, plant and equipment	7	2,074,754	1,828,510
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,079,754</b>	<b>1,834,260</b>
<b>TOTAL ASSETS</b>		<b>2,749,872</b>	<b>2,541,877</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	86,923	35,767
Current tax liabilities	9	11,923	7,824
Employee benefits	10	49,040	37,364
<b>TOTAL CURRENT LIABILITIES</b>		<b>147,886</b>	<b>80,955</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	10	-	6,732
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>6,732</b>
<b>TOTAL LIABILITIES</b>		<b>147,886</b>	<b>87,687</b>
<b>NET ASSETS</b>		<b>2,601,986</b>	<b>2,454,190</b>
<b>EQUITY</b>			
Reserves		860,000	760,000
Retained earnings		1,741,986	1,694,190
<b>TOTAL EQUITY</b>		<b>2,601,986</b>	<b>2,454,190</b>

The accompanying notes form part of these financial statements.



Hat Head Bowling And Recreation Club Ltd

**Statement of Changes in Equity**

For the Year Ended 31 March 2018

2018

	Retained Earnings	Asset Revaluation Surplus	Total
Note	\$	\$	\$
Balance at 1 April 2017	1,694,190	760,000	2,454,190
Profit attributed to Members	47,796	-	47,796
Revaluation increment (decrement)	-	100,000	100,000
<b>Balance at 31 March 2018</b>	<b>1,741,986</b>	<b>860,000</b>	<b>2,601,986</b>

2017

	Retained Earnings	Asset Revaluation Surplus	Total
Note	\$	\$	\$
Balance at 1 April 2016	1,761,514	760,000	2,521,514
Profit attributed to Members	(67,324)	-	(67,324)
<b>Balance at 31 March 2017</b>	<b>1,694,190</b>	<b>760,000</b>	<b>2,454,190</b>

The accompanying notes form part of these financial statements.

**Hat Head Bowling And Recreation Club Ltd**

**Statement of Cash Flows**  
**For the Year Ended 31 March 2018**

	2018	2017
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	1,547,084	1,252,638
Payments to suppliers and employees	(1,345,319)	(1,229,233)
Net cash provided by/(used in) operating activities	<u>201,765</u>	<u>23,405</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payment for property, plant & equipment	a (250,511)	(78,399)
Net cash used by investing activities	<u>(250,511)</u>	<u>(78,399)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net increase/(decrease) in cash and cash equivalents held	(48,746)	(54,994)
Cash and cash equivalents at beginning of year	<u>665,874</u>	<u>720,868</u>
Cash and cash equivalents at end of financial year	3 <u><u>617,128</u></u>	<u><u>665,874</u></u>

The accompanying notes form part of these financial statements.

## Hat Head Bowling And Recreation Club Ltd

### Notes to the Financial Statements

For the Year Ended 31 March 2018

The financial statements are for Hat Head Bowling And Recreation Club Ltd as an individual entity. Hat Head Bowling And Recreation Club is a Company limited by guarantee incorporated and domiciled in Australia.

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

The financial report was authorised for issue by the Directors on 25 May 2018.

#### 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 Interpretations issued by the AASB (Australian Accounting Standards Board) and associated regulations 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. Income Tax

The Club is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

##### d. Leases

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

##### e. 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.

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

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

## Hat Head Bowling And Recreation Club Ltd

### Notes to the Financial Statements

For the Year Ended 31 March 2018

#### 1. Summary of Significant Accounting Policies

##### e. Property, plant and equipment

###### Land and buildings

Land and buildings are measured using the revaluation model.

###### Plant and equipment

Plant and equipment are measured using the cost model.

###### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Club, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant and Equipment	10-100%
Furniture, Fixtures and Fittings	10-37.5%
Office Equipment	10-37.5%
Improvements	2.5-37.5%

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

##### f. Financial instruments

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

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

###### *Impairment of financial assets*

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

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 1. Summary of Significant Accounting Policies

#### f. Financial instruments

##### *Financial assets at amortised cost*

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

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

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

#### g. Cash and cash equivalents

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

#### h. Employee benefits

Provision is made for the Club'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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled .

#### i. 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 Club and specific criteria relating to the type of revenue as noted below, has been satisfied.

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

##### **Sale of goods**

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

##### **Interest revenue**

Interest is recognised using the effective interest method.

##### **Other income**

Other income is recognised on an accruals basis when the Club is entitled to it.

#### j. Goods and services tax (GST)

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

## Hat Head Bowling And Recreation Club Ltd

### Notes to the Financial Statements

For the Year Ended 31 March 2018

#### 1. Summary of Significant Accounting Policies

##### j. Goods and services tax (GST)

Receivables and payables are stated inclusive of GST.

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

##### k. Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the weighted average costs basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

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

##### l. Adoption of new and revised accounting standards

The Club has adopted all standards which became effective for the first time at 31 March 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Club.

The Club has chosen not to early adopt any standards or interpretations not yet in effect.

#### 2. Critical Accounting Estimates and Judgments

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

These estimates and judgments 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 judgments made have been described below.

##### Key estimates - impairment of property, plant and equipment

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

##### Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

**Hat Head Bowling And Recreation Club Ltd**

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2018**

**3. Cash and Cash Equivalents**

	2018	2017
	\$	\$
Cash at bank and in hand	244,816	302,135
Short-term bank deposits	372,312	363,739
	<b>617,128</b>	<b>665,874</b>
	<b>617,128</b>	<b>665,874</b>

**Reconciliation of cash**

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

	2018	2017
	\$	\$
Cash and cash equivalents	617,128	665,874
	<b>617,128</b>	<b>665,874</b>

**4. Inventories**

	2018	2017
	\$	\$
<b>CURRENT</b>		
At cost:		
Stock on hand	44,248	31,999
<b>Total inventories</b>	<b>44,248</b>	<b>31,999</b>
	<b>44,248</b>	<b>31,999</b>

**5. Trade and Other Receivables**

	2018	2017
	\$	\$
<b>CURRENT</b>		
Trade receivables	8,742	9,744
<b>Total current trade and other receivables</b>	<b>8,742</b>	<b>9,744</b>
	<b>8,742</b>	<b>9,744</b>

	2018	2017
	\$	\$
<b>NON-CURRENT</b>		
Deposits	5,000	5,000
<b>Total non-current trade and other receivables</b>	<b>5,000</b>	<b>5,000</b>
	<b>5,000</b>	<b>5,000</b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. No provision for impairment has been made as the Club expects to fully recover the amounts receivable.

## Hat Head Bowling And Recreation Club Ltd

### Notes to the Financial Statements

For the Year Ended 31 March 2018

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### 6. Other financial assets

Unlisted investments are not traded in an active market and therefore fair value cannot be reliably measured. The investment is not for trading purposes but for membership in buying cop-operatives.

##### a. Other investments

	2018	2017
	\$	\$
Shares in co-operatives	-	750
<b>Total other financial assets</b>	<b>-</b>	<b>750</b>

#### 7. Property, Plant and Equipment

	2018	2017
	\$	\$
<b>LAND AND BUILDINGS</b>		
Freehold land		
At Director's valuation 2018	1,060,000	960,000
Total freehold land	1,060,000	960,000
Total Land	1,060,000	960,000
Buildings		
At cost	321,267	321,267
Accumulated depreciation	(176,501)	(163,227)
Total buildings	144,766	158,040
Total land and buildings	1,204,766	1,118,040
<b>PLANT AND EQUIPMENT</b>		
<b>PLANT AND EQUIPMENT</b>		
Plant and equipment		
At cost	1,046,269	995,564
Accumulated depreciation	(752,993)	(716,282)
Total plant and equipment	293,276	279,282
Poker Machines		
At cost	589,173	457,565
Accumulated depreciation	(360,020)	(381,896)
Total poker machines	229,153	75,669



## Hat Head Bowling And Recreation Club Ltd

### Notes to the Financial Statements

For the Year Ended 31 March 2018

Office equipment		
At cost	26,212	26,098
Accumulated depreciation	(25,555)	(25,005)
<b>Total office equipment</b>	<b>657</b>	<b>1,093</b>
Improvements		
At cost	668,204	659,412
Accumulated depreciation	(321,302)	(304,985)
<b>Total improvements</b>	<b>346,902</b>	<b>354,427</b>
<b>Total Plant and equipment</b>	<b>869,988</b>	<b>710,470</b>
<b>Total property, plant and equipment</b>	<b>2,074,754</b>	<b>1,828,510</b>

The Club's Land was revalued by the Director's on the 31st March 2018. The value was based on the most recent valuation undertaken by the Valuer General. It has also been acknowledged that only another club can purchase the assets of the club due to constitutional restrictions.

#### a. Movements in Carrying Amounts

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

	Land \$	Buildings \$	Plant and Equip. \$	Poker Machines \$
<b>Year ended 31 March 2018</b>				
Balance at the beginning of year	960,000	158,040	279,282	75,669
Additions	-	-	50,706	190,900
Depreciation	-	(13,274)	(36,711)	(37,416)
Revaluation increase recognised in equity	100,000	-	-	-
<b>Balance at the end of the year</b>	<b>1,060,000</b>	<b>144,766</b>	<b>293,276</b>	<b>229,153</b>
		Office Equip. \$	Improve. \$	Total \$
<b>Year ended 31 March 2018</b>				
Balance at the beginning of year		1,093	354,427	1,828,511
Additions		114	8,791	250,511
Depreciation		(550)	(16,316)	(104,267)
Revaluation increase recognised in equity		-	-	100,000
<b>Balance at the end of the year</b>		<b>657</b>	<b>346,902</b>	<b>2,074,754</b>

The Board have treated all properties which are controlled by the club as core property's under the Registered Clubs Act section 42J

## Hat Head Bowling And Recreation Club Ltd

### Notes to the Financial Statements

For the Year Ended 31 March 2018

#### 8. Trade and other payables

	2018	2017
	\$	\$
<b>CURRENT</b>		
Trade payables	71,721	27,294
Sundry payables and accrued expenses	15,202	8,473
<b>Total trade and other payables</b>	<b>86,923</b>	<b>35,767</b>

#### 9. Tax

	2018	2017
	\$	\$
PAYG Payable	8,725	5,540
GST payable	3,198	2,284
<b>Total current tax liabilities</b>	<b>11,923</b>	<b>7,824</b>

#### 10. Employee Benefits

	2018	2017
	\$	\$
<b>Current liabilities</b>		
Employee Leave Entitlements	49,040	37,364
<b>Total current employee benefits</b>	<b>49,040</b>	<b>37,364</b>
<b>Non-current liabilities</b>		
Long service leave	-	6,732
<b>Total non-current employee benefits</b>	<b>-</b>	<b>6,732</b>

#### 11. Reserves

	2018	2017
	\$	\$
<b>Asset revaluation reserve</b>		
Revaluation - Land and buildings	760,000	760,000
Transfers in	100,000	-
<b>Total asset revaluation reserve</b>	<b>860,000</b>	<b>760,000</b>

#### 12. Financial Risk Management

##### a. Liquidity risk

Liquidity risk arises from the possibility that Hat Head Bowling And Recreation Club Ltd might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Club manages this risk through the following mechanisms:

- maintaining a reputable credit profile;

## Hat Head Bowling And Recreation Club Ltd

### Notes to the Financial Statements

For the Year Ended 31 March 2018

- only investing surplus cash with major financial institutions; and
- Club Directors regularly monitoring cash flows.

#### 13. Members' Guarantee

The Club is incorporated under the *Corporations Act 2001* and is a Club limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstandings and obligations of the Club. At 31 March 2018 the number of members was 1,147 (2017: 776).

#### 14. Revenue and Other Income

##### Revenue from continuing operations

	2018	2017
	\$	\$
Sales revenue		
- Sale of goods	1,481,319	1,230,136
Finance income		
- Interest income	8,952	10,266
<b>Total Revenue</b>	<b>1,490,271</b>	<b>1,240,402</b>

	2018	2017
	\$	\$
Other Income		
- Fees	18,461	13,892
- Net gain on disposal of property, plant and equipment	36,600	-
<b>Total Other Income</b>	<b>55,061</b>	<b>13,892</b>

#### 15. Interests of Key Management Personnel

The totals of remuneration paid to the key management personnel of Hat Head Bowling And Recreation Club Ltd during the year are as follows:

	2018	2017
	\$	\$
Short-term employee benefits	76,974	79,753

#### 16. Fair Value Measurement

The Club measures the following assets and liabilities at fair value on a recurring basis:

- Property, plant and equipment

#### 17. Contingent Liabilities and Contingent Assets

In the opinion of the Directors, the Club did not have any contingencies at 31 March 2018 (31 March 2017: Nil).

## Hat Head Bowling And Recreation Club Ltd

### Notes to the Financial Statements

For the Year Ended 31 March 2018

#### 18. Related Parties

There were no related party transactions during the year.

#### 19. Events after the end of the Reporting Period

The financial report was authorised for issue on 25 May 2018 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 Club, the results of those operations or the state of affairs of the Club in future financial years.

#### 20. Company Details

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

Hat Head Bowling And Recreation Club Ltd  
Straight Street  
Hat Head NSW 2440

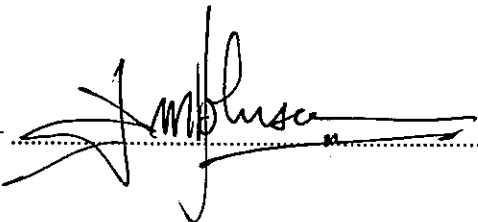
**Hat Head Bowling And Recreation Club Ltd**


**Directors' Declaration**

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 5 to 18, 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 as at 31 March 2018 and of the performance for the year ended on that date of the entity.
2. In the Directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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

Director  .....

Director  .....

Dated 25 May 2018

## Hat Head Bowling And Recreation Club Ltd

# Independent Audit Report to the members of Hat Head Bowling And Recreation Club Ltd

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Hat Head Bowling And Recreation Club Ltd (the Club), which comprises the statement of financial position as at 31 March 2018, the statement of profit or loss, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Club's financial position as at 31 March 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Club in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Club, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

#### Responsibilities of Directors for the Financial Report

The Directors of the Club 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.

In preparing the financial report, the Directors are responsible for assessing the Club's ability to continue

**Hat Head Bowling And Recreation Club Ltd**

**Independent Audit Report to the members of Hat Head Bowling  
And Recreation Club Ltd**

as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Club or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.



Dan Wade  
Partner  
Wrights Chartered Accountants

Kempsey

25 May 2018

**HAT HEAD BOWLING AND RECREATION CLUB LTD**  
**PROFIT OR LOSS STATEMENT**  
**FOR THE YEAR ENDED**  
**Saturday, 31 March 2018**

	2018	2017
<b>Bar Operations</b>		
Bar Sales	\$875,233	\$799,635
Unders & Overs	(\$778)	\$13
Bar Sundry Ice etc	\$8,570	\$8,715
	\$883,025	\$808,363
Opening Stock	\$31,999	\$24,856
Freight	\$0	\$685
Bar Purchases	\$433,020	\$379,460
Bar Wastage	\$2,878	\$2,878
Bar Equipment	\$3,783	\$1,076
Bar Glasses & Replacements	\$2,403	\$1,088
Beer Gas	\$1,034	\$246
Closing Stock	(\$44,248)	(\$31,999)
	\$430,869	\$378,290
Wages & Salaries - Bar	\$246,557	\$222,853
<b>Bar Profit</b>	<b>\$205,599</b>	<b>\$207,220</b>
<b>Bar Profit %</b>	51%	53%
<b>Poker Machine Operations</b>		
Poker Machine Takings	\$1,208,215	\$1,048,055
Poker Machine Duty Grant	\$17,180	\$17,180
Poker Machine Payouts	(\$819,368)	(\$735,527)
<b>Total Poker Machine Operations</b>	<b>\$406,027</b>	<b>\$329,708</b>
Wages & Salaries - P/Machines	\$9,387	\$9,859
PM Computer Analysis	\$4,751	\$5,070
PM Depreciation	\$37,416	\$21,761
PM Monitoring Fee	\$9,925	\$9,228
Maintenance - P/Machines	\$10,083	\$11,736
	\$71,562	\$57,654
<b>Poker Machine Profit</b>	<b>\$334,466</b>	<b>\$272,054</b>
<b>Bistro Operations (during time run by Club)</b>		
Bistro Sales	\$80,851	\$0
Bar Food	\$577	\$0
	\$81,428	\$0
Opening Stock	\$0	\$0
Bistro Purchases	\$36,924	\$0
Bistro General Expenses	\$1,676	\$0
Closing Stock	\$0	\$0
	\$38,600	\$0
Wages & Salaries - Bistro	\$35,193	\$0
<b>Bistro Profit</b>	<b>\$7,635</b>	<b>\$0</b>



**HAT HEAD BOWLING AND RECREATION CLUB LTD**  
**PROFIT OR LOSS STATEMENT**  
**FOR THE YEAR ENDED**  
**Saturday, 31 March 2018**

	2018	2017
<b>Total Trading Profit</b>	<u>\$547,700</u>	<u>\$479,274</u>
<b>Commissions Received</b>		
Cigarette Machine Commission	\$3,667	\$2,472
ATM Commission	\$17,729	\$15,997
Pool Table	\$1,073	\$1,065
Pool Comp	\$180	
Vending Machine	\$1,604	\$1,804
<b>Total Commissions</b>	<u>\$24,252</u>	<u>\$21,338</u>
<b>Fishing Club</b>		
Nominations Raffles Etc	\$18,458	\$11,701
Less Expenses	(\$15,121)	(\$13,228)
<b>Total Fishing Club</b>	<u>\$3,338</u>	<u>(\$1,527)</u>
<b>Green Fees</b>		
Green Fees	\$1,666	\$1,201
<b>Total Green Fees</b>	<u>\$1,666</u>	<u>\$1,201</u>
<b>Interest Received</b>		
Interest Received	\$8,952	\$10,266
<b>Total Interest Received</b>	<u>\$8,952</u>	<u>\$10,266</u>
<b>Profit on Sale of Fixed Assets</b>		
Profit on Sale of Fixed Assets	\$36,600	\$0
<b>Total Profit on Sale of Fixed Assets</b>	<u>\$36,600</u>	<u>\$0</u>
<b>Juke Box</b>		
Juke Box Income	\$158	\$901
<b>Total Juke Box</b>	<u>\$158</u>	<u>\$901</u>
<b>Ladies Bowls</b>		
Ladies Bowls Income	\$5,843	\$5,194
Less Ladies Bowls Expenses	(\$5,704)	(\$5,467)
<b>Total Ladies Bowls</b>	<u>\$139</u>	<u>(\$273)</u>
<b>Keno Income</b>		
Keno Commission	\$13,345	\$14,425
Keno Fees	(\$2,968)	(\$1,107)
Keno Stationery	(\$148)	(\$59)
	<u>\$10,229</u>	<u>\$13,259</u>
<b>Mens Bowls</b>		
Mens Bowls Income	\$8,253	\$12,256
Less Mens Bowls Expenses	(\$6,569)	(\$10,789)
<b>Total Mens Bowls</b>	<u>\$1,684</u>	<u>\$1,467</u>

**HAT HEAD BOWLING AND RECREATION CLUB LTD**  
**PROFIT OR LOSS STATEMENT**  
**FOR THE YEAR ENDED**  
**Saturday, 31 March 2018**

	2018	2017
<b>Subscriptions</b>		
Members Subscriptions	\$18,461	\$13,892
Total Subscriptions	<u>\$18,461</u>	<u>\$13,892</u>
<b>Rents Received</b>		
Rent Kitchen	\$1,182	\$750
Total Rents Received	<u>\$1,182</u>	<u>\$750</u>
<b>Raffles</b>		
Raffles Income	\$21,129	\$19,860
Raffles Expenses & Distribution	(\$18,747)	(\$22,814)
Total Raffles	<u>\$2,382</u>	<u>(\$2,954)</u>
<b>Sundry</b>		
Sundry Income	\$4,364	\$1,231
Lighter, Holders etc	\$1,802	\$1,482
Total Sundry	<u>\$6,165</u>	<u>\$2,713</u>
<b>Trig Event</b>		
Trig Income	\$545	\$521
Trig Expenses	(\$1,754)	(\$1,502)
Total Trig Event	<u>(\$1,209)</u>	<u>(\$981)</u>
<b>Coffee Machine</b>		
Coffee Sales	\$1,716	\$1,026
Coffee Expenses	(\$2,129)	(\$1,619)
Total Coffee Machine	<u>(\$412)</u>	<u>(\$593)</u>
<b>Cigarette Machine</b>		
Cigarette Sales	\$54,436	\$41,381
Cigarette Expenses	(\$56,815)	(\$40,009)
Total Cigarette Machine	<u>(\$2,378)</u>	<u>\$1,372</u>
<b>TAB</b>		
TAB Commissions	\$18,438	\$7,197
TAB FEES	(\$5,682)	(\$9,707)
Total TAB	<u>\$12,757</u>	<u>(\$2,510)</u>
<b>Gross Profit</b>	<u><b>\$671,665</b></u>	<u><b>\$537,595</b></u>
<b>Expenses</b>		
Accounting Fees	\$5,450	\$5,220
Audit Fees	\$16,000	\$11,000
Advertising	\$7,432	\$11,238
Affiliations	\$6,010	\$3,791
Bank Charges & Govt. Duties	\$2,893	\$2,347

**HAT HEAD BOWLING AND RECREATION CLUB LTD**  
**PROFIT OR LOSS STATEMENT**  
**FOR THE YEAR ENDED**  
**Saturday, 31 March 2018**

	2018	2017
Catering	\$2,914	\$1,481
Entertaining	\$19,336	\$19,273
Austar	\$17,186	\$15,869
Sky Channel	\$17,117	\$16,885
Cleaning - Expenses	\$5,681	\$5,524
Cleaning - Contracts	\$48,496	\$49,860
Computer Expenses	\$3,080	\$4,091
Consultancy Costs	\$9,310	\$5,423
Depreciation Expense	\$66,851	\$67,559
Directors Expenses	\$1,768	\$2,301
Donations	\$2,588	\$828
Electricity & Gas	\$52,352	\$39,142
Filing Fee	\$0	\$284
Floral Tributes	\$106	\$170
Insurance	\$23,202	\$21,313
Legal Fees	\$0	\$556
Licenses, Reg & Permits	\$3,300	\$5,234
Loss on Disposal of Assets	\$0	\$1,699
Maintenance - Greens	\$11,596	\$16,834
Maintenance - Bar	\$1,209	\$2,860
Maintenance - Clubhouse	\$3,717	\$0
Maintenance - General	\$14,049	\$10,363
Members Expenses- Lucky Badge	\$2,736	\$2,859
Members Promotions	\$739	\$1,238
Members Expenses-Club Shout	\$1,262	\$1,779
Mems Exp Lighter,Holder,etc	\$421	\$2,425
Mems Exp.Pies,Food,	\$573	\$3,513
Printing, Postage & Stationery	\$6,327	\$7,650
Provision for Holiday Pay Exp	\$8,472	(\$4,388)
Prov'n for Long Serv.Leave Exp	(\$1,629)	(\$222)
Rates & Charges	\$24,095	\$17,670
Rates - Council Car Park	\$1,426	\$1,400
Rubbish Removal	\$3,350	\$0
Club Superannuation	\$38,475	\$41,810
Wages & Salaries - Greens	\$62,994	\$60,800
Wages & Salaries - Admin	\$56,323	\$59,154
Wages & Salaries TAB	\$18,774	\$19,718
Wages and Salaries Keno	\$9,387	\$9,859
Wages Maintenance	\$1,651	\$0
Workers Compensation	\$6,435	\$6,372
Security	\$7,655	\$12,358
Staff Drinks	\$8,035	\$5,726
Director Training	\$2,783	\$3,785
Sub Club Allowance	\$5,000	\$5,083
Sundry Expenses	\$3,429	\$3,385
Telephone	\$6,347	\$5,142
Travelling Expenses	\$628	\$4,693

**HAT HEAD BOWLING AND RECREATION CLUB LTD**  
**PROFIT OR LOSS STATEMENT**  
**FOR THE YEAR ENDED**  
**Saturday, 31 March 2018**

	2018	2017
Uniforms	\$234	\$482
Kitchen Expenses	\$6,303	\$11,349
Trophies	\$0	\$134
Total Operating Expenses	<u>\$623,869</u>	<u>\$604,919</u>
<b>Net Profit / (Loss)</b>	<u><u>\$47,796</u></u>	<u><u>(\$67,324)</u></u>