

MUNMORAH UNITED BOWLING CLUB LIMITED
24 000 639 314

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2014

**Liability limited by a scheme approved under
Professional Standards Legislation**

MUNMORAH UNITED BOWLING CLUB LIMITED
24 000 639 314

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MUNMORAH UNITED BOWLING CLUB LIMITED
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DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2014.

Directors

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

Mr Ray Clark
Mr James Richard Crisp
Mrs Fiona Mary Macalpine
Mrs Beverley Anne Gair
Mr William Bruce Agar
Mrs Beverley Fay Howard
Mrs Sonia Alison Geddes
Mr Ken Day
Mr Raymond Bourke

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

Review of Operations

The profit of the company for the financial year amounted to \$8,083.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the company during the financial year were to operate as a registered club, provide bowling, sporting and social activities for the members and their guests..

No significant change in the nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Period

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.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

MUNMORAH UNITED BOWLING CLUB LIMITED
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DIRECTORS' REPORT

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

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

Director: _____
Mr Ray Clark

Director: _____
Mrs Fiona Mary Macalpine

Dated this 19 day of August 2014

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
MUNMORAH UNITED BOWLING CLUB LIMITED**

I declare, that to the best of my knowledge and belief, during the year ended 30 June 2014 there have been:

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

Name of Firm: Stuart J Hayward
Chartered Accountants

Name of Partner: _____
Stuart James Hayward

Address: 307 Main Road Toukley NSW 2263

Dated this 19 day of August 2014

MUNMORAH UNITED BOWLING CLUB LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
Revenue	2	4,638,374	4,398,011
Changes in inventories of finished goods and work in progress		3,856	7,410
Raw materials and consumables used		(956,990)	(859,086)
Advertising expenses		(33,263)	(40,559)
Auditor's remuneration	3	(19,409)	(16,364)
Depreciation and amortisation expenses		(353,183)	(362,823)
Employee benefits expenses		(1,495,419)	(1,301,309)
Finance costs	4	(36,325)	(53,282)
Lease expenses		(44,548)	(42,585)
Other expenses		(1,695,010)	(1,603,992)
Profit for the year	4	8,083	125,421
Total comprehensive income for the year		8,083	125,421
Total comprehensive income attributable to members of the entity		8,083	125,421

The accompanying notes form part of these financial statements.

MUNMORAH UNITED BOWLING CLUB LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	247,799	193,820
Trade and other receivables	6	7,593	3,020
Inventories	7	41,442	37,586
Other current assets	8	35,886	31,051
TOTAL CURRENT ASSETS		<u>332,720</u>	<u>265,477</u>
NON-CURRENT ASSETS			
Financial assets	9	1,250	1,250
Property, plant and equipment	10	3,563,282	3,794,098
TOTAL NON-CURRENT ASSETS		<u>3,564,532</u>	<u>3,795,348</u>
TOTAL ASSETS		<u>3,897,252</u>	<u>4,060,825</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	11	421,587	375,370
Borrowings	12	280,358	261,046
Provisions	13	97,479	95,470
TOTAL CURRENT LIABILITIES		<u>799,424</u>	<u>731,886</u>
NON-CURRENT LIABILITIES			
Borrowings	12	212,852	451,001
TOTAL NON-CURRENT LIABILITIES		<u>212,852</u>	<u>451,001</u>
TOTAL LIABILITIES		<u>1,012,276</u>	<u>1,182,887</u>
NET ASSETS		<u>2,884,976</u>	<u>2,877,938</u>
EQUITY			
Retained earnings	14	2,884,976	2,877,938
TOTAL EQUITY		<u>2,884,976</u>	<u>2,877,938</u>

The accompanying notes form part of these financial statements.

MUNMORAH UNITED BOWLING CLUB LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Retained earnings \$	Total \$
Balance at 1 July 2012		2,749,913	2,749,913
Profit attributable to members of the company		125,421	125,421
Intra Clubs		2,604	2,604
Balance at 30 June 2013		2,877,938	2,877,938
Profit attributable to members of the company		8,083	8,083
Intra Clubs		(1,045)	(1,045)
Balance at 30 June 2014		2,884,976	2,884,976

The accompanying notes form part of these financial statements.

MUNMORAH UNITED BOWLING CLUB LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	4,637,887	4,341,420
Payments to suppliers and employees	(4,197,326)	(3,772,713)
Interest received	3,487	1,781
Borrowing costs paid	(36,325)	(64,772)
Net cash provided by operating activities	16 <u>407,723</u>	<u>505,716</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of plant and equipment	15,900	54,810
Payments for plant and equipment	(149,318)	(319,037)
Net cash used in investing activities	<u>(133,418)</u>	<u>(264,227)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	81,831	97,454
Intra-club fund movements	(1,045)	2,604
Repayment of borrowings	(301,112)	(301,772)
Net cash used in financing activities	<u>(220,326)</u>	<u>(201,714)</u>
Net increase in cash held	53,979	39,775
Cash at Beginning of the Year	193,820	154,045
Cash at end of financial year	5 <u><u>247,799</u></u>	<u><u>193,820</u></u>

The accompanying notes form part of these financial statements.

MUNMORAH UNITED BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1 Statement of Significant Accounting Policies

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

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on by the directors of the company.

Accounting Policies

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

MUNMORAH UNITED BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

In the periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the land and building's carrying amount is not materially different to the 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 recognised against fair value reserves directly in equity; all other decreases are recognised in profit or loss.

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.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

MUNMORAH UNITED BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Depreciation

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the company. Depreciation commences from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

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

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

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

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the company, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated over the shorter of their estimated useful lives or the lease term.

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

Lease incentives under operating leases are recognised as a liability and amortised over the life of the lease term.

MUNMORAH UNITED BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Financial Instruments

Initial Recognition and Measurement

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

Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that Standard.

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

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

Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Employee Benefits

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

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

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.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

MUNMORAH UNITED BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

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 cessation of all involvement in those goods.

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

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Trade and Other Payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

Comparative Figures

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

MUNMORAH UNITED BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
2 Revenue and Other Income		
Revenue		
Sales revenue:		
Sale of goods	4,546,933	4,274,508
Rendering of services	1,946	782
	4,548,879	4,275,290
Other revenue:		
Interest received	3,487	1,781
Other revenue	86,008	120,940
	89,495	122,721
Total revenue	4,638,374	4,398,011
Interest revenue from:		
Interest Received	3,487	1,781
Total interest revenue on financial assets not at fair value through profit or loss	3,487	1,781
Other revenue from:		
Commissions	9,126	8,847
Profit on Sale of Fixed Assets	11,464	54,810
Rents Received	41,387	38,549
Subscriptions	23,892	18,543
Telephone Receipts	139	191
Total other revenue	86,008	120,940
3 Auditor's Remuneration		
Auditor's Remuneration, Fees	19,409	16,364
4 Profit for the year		
Profit from continuing operations includes the following specific expenses:		
Expenses		
Cost of sales	953,134	851,676

MUNMORAH UNITED BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
Employee benefits expense:		
contributions to defined contribution superannuation funds	149,007	122,866
Depreciation of property, plant and equipment	353,183	362,823
Leasehold Rental	44,548	42,585
	<u>-</u>	<u>-</u>
5 Cash and Cash Equivalents		
Cash in Hand	33,700	33,700
Cash at Bank, TAB Account	4,326	1,028
Cash at Bank, Fishing Club	5,979	7,525
Cash at Bank, Darts Club	3,998	3,498
Cash at Bank, Keno Account	8,205	2,673
Eftpos Clearing Account	1,898	191
Cash at Bank, Trading Account	69,498	38,952
Cash at Bank, Interest Bearing Deposit	120,195	106,253
	<u>247,799</u>	<u>193,820</u>
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash and cash equivalents	53,979	39,775
	<u>53,979</u>	<u>39,775</u>
6 Trade and Other Receivables		
Current		
Other Debtors	7,593	3,020
	<u>7,593</u>	<u>3,020</u>

The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

7 Inventories

MUNMORAH UNITED BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
8 Other Current Assets		
Current		
Prepayments	<u>35,886</u>	<u>31,051</u>
9 Financial Assets		
Non-Current		
Shares in Public Companies at Cost	<u>1,250</u>	<u>1,250</u>
10 Property, Plant and Equipment		
BUILDINGS		
Buildings at:		
Leasehold Improvement, Clubhouse	972,831	972,831
Leasehold Improvements, Extensions	713,934	713,934
Clubhouse Refurbishment	1,414,732	1,414,732
Carpark Refurbishment and Extension	660,036	651,636
Less accumulated depreciation	<u>(1,110,691)</u>	<u>(1,030,114)</u>
Total Buildings	<u>2,650,842</u>	<u>2,723,019</u>
PLANT AND EQUIPMENT		
Plant and Equipment:		
At cost	4,013,610	3,935,957
Accumulated depreciation	<u>(3,101,170)</u>	<u>(2,864,878)</u>
Total Plant and Equipment	<u>912,440</u>	<u>1,071,079</u>
Total Property, Plant and Equipment	<u>3,563,282</u>	<u>3,794,098</u>

MUNMORAH UNITED BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013	
	\$	\$	
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.			
	Freehold Land and Building	Leasehold Improvements	Plant and Equipment
	\$	\$	\$
	Leased Plant and Equipment	\$	Total
	\$	\$	\$
Balance at 1 July 2013	90,307	2,723,018	980,773
Additions	-	8,400	140,918
Disposals	-	-	26,951
Depreciation expense	-	(80,576)	(272,607)
Carrying amount at 30 June 2014	90,307	2,650,842	876,035
	90,307	2,650,842	876,035

11 Trade and Other Payables

Current

Trade Creditors	136,164	133,424
Members Subscriptions in Advance	4,220	4,963
Supplementary Tax Payable	24,996	33,432
GST and PAYG Withheld Payable	120,777	79,956
Accrued Expenses	4,091	-
Provision for Holiday Pay	85,345	87,571
Provision for Sick Pay	45,994	36,024
	421,587	375,370
	421,587	375,370

12 Borrowings

Current

Hire Purchase Instalments Within 12 months	83,098	63,786
Commercial Bill Payable, Less Than 12 Months	197,260	197,260
Total current borrowings	280,358	261,046
	280,358	261,046

Non-Current

Hire Purchase Creditors	55,291	83,971
Commercial Bill Payable, After 12 Months	157,561	367,030
Total non-current borrowings	212,852	451,001
	212,852	451,001
Total borrowings	6 493,210	6 712,047
	6 493,210	6 712,047

MUNMORAH UNITED BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
13 Provisions		
Prov'n for Long Service Leave	94,124	92,114
Provision for Bonus Points	3,355	3,356
Total provisions	<u>97,479</u>	<u>95,470</u>
Analysis of Total Provisions		
Current	97,479	95,470
	<u>97,479</u>	<u>95,470</u>
14 Retained Earnings		
Retained earnings at the beginning of the financial year	2,877,938	2,749,913
Net profit attributable to members of the company	8,083	125,421
Intra Clubs	(1,045)	2,604
Retained earnings at the end of the financial year	<u>2,884,976</u>	<u>2,877,938</u>
15 Contingent Liabilities		
Estimates of the potential financial effect of contingent liabilities that may become payable:		
Contingent Liabilities		
Bonus Points		
Unclaimed member reward points in excess of that disclosed in the financial report.	<u>35,765</u>	<u>-</u>
16 Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit		
Profit for the year	8,083	125,421
Non-cash flows in profit		
Depreciation	353,183	362,823
Profit on Disposal of Non-current Assets	11,464	(54,810)

MUNMORAH UNITED BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
Decrease (Increase) in Other Debtors	(4,572)	780
Decrease (Increase) in Stock on Hand	(3,857)	(7,410)
Decrease (Increase) in Prepayments	(4,835)	13,288
Increase (Decrease) in Trade Creditors	2,771	34,200
Increase (Decrease) in Subscriptions in Advance	(744)	1,121
Increase (Decrease) in GST and PAYG Payable	40,821	26,257
Increase (Decrease) in Promotional Provisions	-	10
Increase (Decrease) in Supplementary Tax	(8,436)	(1,293)
Increase (Decrease) in Employee Entitlements	9,754	5,329
Increase (Decrease) in Accrued Expenses	4,091	-
	<u>407,723</u>	<u>505,716</u>

17 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills 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:

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These included the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations.

The company does not have any derivative instruments at 30 June 2014.

MUNMORAH UNITED BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

2014
\$

2013
\$

18 Company Details

The registered office of the company is:

Munmorah United Bowling Club Limited

Acacia Avenue Lake Munmorah NSW 2259

The principal place of business is:

Acacia Avenue Lake Munmorah NSW 2259

MUNMORAH UNITED BOWLING CLUB LIMITED
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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 20, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - (b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director: _____
Mr Ray Clark

Director: _____
Mrs Fiona Mary Macalpine

Dated this 19 day of August 2014

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MUNMORAH UNITED BOWLING CLUB LIMITED
24 000 639 314**

Report on the Financial Report

I have audited the accompanying financial report of Munmorah United Bowling Club Limited which comprises the statement of financial position as at 30 June 2014 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the Corporations Act 2001. I confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of the company, would be in the same terms if provided to the directors as at the date of this auditor's report.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MUNMORAH UNITED BOWLING CLUB LIMITED
24 000 639 314**

Auditor's Opinion

In my opinion, subject to the Emphasis of Matter described herein:

- (a) the financial report of Munmorah United Bowling Club Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

During the course of my audit I was made aware of a Workcover Authority review pursuant to a complaint and/or complaints lodged in the matter of "Workplace Bullying", in particular that levelled at employees of Club by members of the Board of Directors. Further investigation disclosed that a member of the Board of Directors was cited to appear on such matters, and as a result thereof had his membership suspended for six months and upon resumption of his membership placed on a good behaviour bond for an additional twelve months.

Matters of this nature give rise to potential litigation being undertaken by the injured party against the Club, the grounds being its failure to provide a safe working environment. At this time I am not aware of any such litigation, however the potential exists at today's date and cannot be quantified at this time.

Name of Firm: Stuart J Hayward
Chartered Accountants

Name of Principal: _____
Stuart James Hayward

Address: 307 Main Road Toukley NSW 2263

Dated this 19 day of August 2014

MUNMORAH UNITED BOWLING CLUB LIMITED
24 000 639 314

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
SALES		
Sales	2,160,843	1,956,510
Gross Poker Machine Revenue	6,565,552	6,397,523
Raffle Receipts	121,652	119,266
Sponsorship Receipts	1,318	3,182
Bowls Receipts	2,018	2,302
Promotion Receipts	5,181	9,007
Green Fees Received	68,505	62,776
Poker Machine Payouts	(4,445,010)	(4,353,345)
Statewide Link Contribution	(35,168)	(30,382)
Commission Received	102,042	107,669
	4,546,933	4,274,508
LESS: COST OF GOODS SOLD		
Opening Stock	37,586	30,177
Purchases	947,175	848,631
Freight	9,815	10,455
Closing Stock	(41,442)	(37,587)
	953,134	851,676
GROSS PROFIT FROM TRADING	3,593,799	3,422,832
OTHER INCOME		
Commissions	9,126	8,847
Donations Received	1,946	782
Interest Received	3,487	1,781
Profit on Sale of Fixed Assets	11,464	54,810
Subscriptions	23,892	18,543
Telephone Receipts	139	191
Gross profit on rental operations	41,387	38,549
	91,441	123,503
	3,685,240	3,546,335

The accompanying notes form part of these financial statements.

MUNMORAH UNITED BOWLING CLUB LIMITED
24 000 639 314

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
EXPENSES		
Advertising and Promotion	33,263	40,559
Affiliation Fees	7,300	14,427
Auditor's Remuneration, Fees	19,409	16,364
Ballot Expenses	-	310
Bank Charges	8,809	7,358
Bar Supplies and Replacements	18,612	19,588
Bowls Assessories	-	2,786
Cash Shorts and Overs	(386)	1,174
Catering Charges	17,806	14,666
Cleaning	90,076	99,101
CMS Data Monitoring Services	31,768	31,195
Coaching and Entry Fees	5,501	5,124
Consultants Fees	14,000	-
Courtesy Bus Expenses	41,488	38,220
Depreciation	353,183	362,823
Donations	40,663	44,910
Duty Officer Drinks	4,106	1,783
Electricity and Gas	121,914	119,926
Employee Entitlements	142,213	99,956
Entertainment	102,909	87,759
Fees and Licences	10,660	13,230
First Aid	2,246	2,346
Floral Tributes	1,163	1,059
Function Costs	2,932	818
Hire of Plant	29,419	26,601
Hire Purchase Charges	14,113	11,489
Insurance	53,725	51,413
Interest, Bankers	36,325	53,282
Labour Hire	33,696	-
Leasehold Rental	44,548	42,585
License Fee	39,108	38,870
Members' Badge Promotion	36,636	26,750
Members' Catering	14,154	7,097
Officers' Allowances	22,500	22,500
Payroll Tax	37,738	31,060
Postage and Stationery	24,098	31,602
Promotional Expenditure	141,365	128,415
Raffle Prizes and Costs	103,331	104,141
Rates and Property Taxes	9,378	15,197

The accompanying notes form part of these financial statements.

MUNMORAH UNITED BOWLING CLUB LIMITED
24 000 639 314

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
Repairs and Maintenance	156,592	183,627
Restaurant Consumables	12,062	13,382
Security	65,825	60,604
Sky Channel Rental	29,169	28,455
Staff and Management Catering	6,133	9,978
Staff Training	1,802	2,136
Stocktaking Fees	2,000	2,000
Superannuation	149,007	122,866
Supplementary Tax	289,561	258,095
Telephone	8,046	9,346
Travelling Expenses	5,692	2,521
Trophies	43,832	42,977
TVN Rental	30,368	28,788
Uniforms	8,773	4,019
Vending Machine Supplies	-	323
Wages	1,158,526	1,035,313
	3,677,157	3,420,914
NET PROFIT	8,083	125,421

The accompanying notes form part of these financial statements.

MUNMORAH UNITED BOWLING CLUB LIMITED
24 000 639 314

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
BAR TRADING		
Sales	<u>1,395,164</u>	<u>1,477,399</u>
LESS: COST OF GOODS SOLD		
Opening Stock	21,908	30,177
Purchases	605,604	631,743
Freight	9,815	10,455
Closing Stock	<u>(28,394)</u>	<u>(21,909)</u>
	<u>608,933</u>	<u>650,466</u>
GROSS PROFIT FROM TRADING	<u>786,231</u>	<u>826,933</u>
EXPENSES		
Bar Supplies and Replacements	18,612	19,588
Cash Shorts and Overs	(231)	145
Depreciation	24,784	26,049
Employee Entitlements	27,615	12,909
Repairs and Maintenance	11,548	7,206
Stocktaking Fees	2,000	2,000
Superannuation	28,270	25,222
Wages	<u>258,698</u>	<u>246,950</u>
	<u>371,296</u>	<u>340,069</u>
NET PROFIT	<u><u>414,935</u></u>	<u><u>486,864</u></u>

The accompanying notes form part of these financial statements.

MUNMORAH UNITED BOWLING CLUB LIMITED
24 000 639 314

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
GAMING TRADING		
Gross Poker Machine Revenue	6,565,552	6,397,523
Poker Machine Payouts	(4,445,010)	(4,353,345)
Statewide Link Contribution	(35,168)	(30,382)
Commission Received	102,042	107,669
	2,187,416	2,121,465
EXPENSES		
Bank Charges	227	377
Cash Shorts and Overs	96	1,154
CMS Data Monitoring Services	31,768	31,195
Depreciation	172,319	169,530
Employee Entitlements	23,122	35,742
Hire Purchase Charges	14,113	11,489
License Fee	39,108	38,870
Postage and Stationery	9,363	11,944
Promotional Expenditure	56,738	58,564
Repairs and Maintenance	52,859	57,338
Superannuation	16,534	19,578
Supplementary Tax	289,561	258,095
Wages	217,509	226,626
	923,317	920,502
NET PROFIT	1,264,099	1,200,963

The accompanying notes form part of these financial statements.

MUNMORAH UNITED BOWLING CLUB LIMITED
24 000 639 314

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
BOWLS TRADING		
Raffle Receipts	6,238	8,276
Sponsorship Receipts	1,318	3,182
Bowls Receipts	2,018	2,302
Green Fees Received	68,505	62,776
	78,079	76,536
EXPENSES		
Advertising and Promotion	192	63
Bowls Assessories	-	2,786
Catering Charges	17,806	14,666
Coaching and Entry Fees	5,501	5,124
Depreciation	8,601	13,330
Employee Entitlements	20,526	4,002
Postage and Stationery	1,261	1,029
Raffle Prizes and Costs	3,108	3,574
Repairs and Maintenance	18,530	17,612
Superannuation	22,631	12,895
Travelling Expenses	5,612	2,442
Trophies	43,832	42,977
Uniforms	5,470	935
Wages	59,775	68,039
	212,845	189,474
NET LOSS	(134,766)	(112,938)

The accompanying notes form part of these financial statements.

MUNMORAH UNITED BOWLING CLUB LIMITED
24 000 639 314

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
<hr/>		
RESTAURANT		
Sales	<u>765,679</u>	<u>479,111</u>
LESS: COST OF GOODS SOLD		
Opening Stock	15,678	-
Purchases	341,571	216,888
Closing Stock	<u>(13,048)</u>	<u>(15,678)</u>
	<u>344,201</u>	<u>201,210</u>
GROSS PROFIT FROM TRADING	<u>421,478</u>	<u>277,901</u>
EXPENSES		
Cash Shorts and Overs	(251)	(125)
Cleaning	9,159	7,976
Electricity and Gas	18,536	18,000
Employee Entitlements	23,573	-
Labour Hire	33,696	-
Restaurant Consumables	12,062	13,382
Superannuation	33,292	19,028
Wages	<u>337,906</u>	<u>222,702</u>
	<u>467,973</u>	<u>280,963</u>
NET LOSS	<u><u>(46,495)</u></u>	<u><u>(3,062)</u></u>

The accompanying notes form part of these financial statements.

MUNMORAH UNITED BOWLING CLUB LIMITED
24 000 639 314

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
PROMOTIONS TRADING		
Raffle Receipts	115,414	110,990
Promotion Receipts	5,181	9,007
	120,595	119,997
EXPENSES		
Courtesy Bus Expenses	41,488	38,220
Employee Entitlements	3,116	4,507
Entertainment	102,909	87,759
Function Costs	2,932	818
Members' Badge Promotion	36,636	26,750
Members' Catering	14,154	7,097
Promotional Expenditure	84,627	69,851
Raffle Prizes and Costs	100,223	100,567
Security	64,450	56,253
Sky Channel Rental	29,169	28,455
Superannuation	6,906	5,373
TVN Rental	30,368	28,788
Wages	62,574	55,536
	579,552	509,974
NET LOSS	(458,957)	(389,977)

The accompanying notes form part of these financial statements.

MUNMORAH UNITED BOWLING CLUB LIMITED
24 000 639 314

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
ADMINISTRATION		
OTHER INCOME		
Commissions	9,126	8,847
Donations Received	1,946	782
Interest Received	3,487	1,781
Profit on Sale of Fixed Assets	11,464	54,810
Rents Received	41,387	38,549
Subscriptions	23,892	18,543
Telephone Receipts	139	191
	91,441	123,503
EXPENSES		
Advertising and Promotion	33,071	40,496
Affiliation Fees	7,300	14,427
Auditor's Remuneration, Fees	19,409	16,364
Ballot Expenses	-	310
Bank Charges	8,582	6,981
Cleaning	80,917	91,125
Consultants Fees	14,000	-
Depreciation	147,479	153,914
Donations	40,663	44,910
Duty Officer Drinks	4,106	1,783
Electricity and Gas	103,378	101,926
Employee Entitlements	44,261	42,796
Fees and Licences	10,660	13,230
First Aid	2,246	2,346
Floral Tributes	1,163	1,059
Hire of Plant	29,419	26,601
Insurance	53,725	51,413
Interest, Bankers	36,325	53,282
Leasehold Rental	44,548	42,585
Officers' Allowances	22,500	22,500
Payroll Tax	37,738	31,060
Postage and Stationery	13,474	18,629
Rates and Property Taxes	9,378	15,197
Repairs and Maintenance	73,655	101,471
Security	1,375	4,351
Staff and Management Catering	6,133	9,978
Staff Training	1,802	2,136

The accompanying notes form part of these financial statements.

MUNMORAH UNITED BOWLING CLUB LIMITED
24 000 639 314

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
Superannuation	41,374	40,770
Telephone	8,046	9,346
Travelling Expenses	80	79
Uniforms	3,303	3,084
Vending Machine Supplies	-	323
Wages	222,064	215,460
	<u>1,122,174</u>	<u>1,179,932</u>
NET LOSS	<u><u>(1,030,733)</u></u>	<u><u>(1,056,429)</u></u>

The accompanying notes form part of these financial statements.