

LIGHTNING RIDGE DISTRICT BOWLING CLUB LIMITED
ABN 92 001 065 210

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

LIGHTNING RIDGE DISTRICT BOWLING CLUB LIMITED
ABN 92 001 065 210

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2017

Your directors present their report on the company for the financial year ended 30 June 2017

Principal Activities

The company's principal activities are the operation of a registered club for the promotion of bowls in the Lightning Ridge district.

Short Term Objectives of the Company

The company has identified the following short term objectives:

- to provide a comfortable and secure environment for members that continue to meet their needs.

Long Term Objectives of the Company

The company has identified the following long term objectives:

- to promote bowls in the community and to be recognised for our contribution to the sport.
- to continue to be financially secure.
- to grow the company operations in accordance with member interests.

Performance Measurement

The company uses the following key performance indicators to measure performance:

- Profit, after income tax expense, for the financial year was \$130,884.
- Cash flow from operating activities for the financial year was \$692,650.
- Membership for the financial year was 3,137.

Directors Information

Directors

The names of the directors in office at any time during, or since the end of, the year and the period that each director has been in office:

Directors Name	Special Responsibilities	Period as Director	Qualifications and Experience
L Walford	President	Appointed 27/10/2013	Retired, 4 years as a director
R Brown	Senior Vice President	Appointed 27/10/2013	Retired, 4 years as a director
T McGovern	Junior Vice President	Appointed 22/11/2009	Self Employed Builder, 8 years as director
A Seaton	Director	Appointed 22/11/2009	Telstra Technician, 8 years as director
R Hungerford	Treasurer	Appointed 7/10/2012	Retired Businessman, previous Treasurer, 18 years as director
I Anderson	Director	Appointed 1/11/2014 Resigned 25/9/2016	Retired, previous director of the club for 2 years, 3 years as a director
P Collison	Director	Appointed 2/11/2014 Resigned 27/9/2015 Appointed 16/12/2015	Healthcare professional, 8 years as a director
P Morris	Director	Appointed 26/9/2016	Miner, Previously a for director 18 months current director 1 year

LIGHTNING RIDGE DISTRICT BOWLING CLUB LIMITED
ABN 92 001 065 210

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2017

Meetings of Directors

During the financial year, 12 meetings of directors (including 2 special meetings) were held and the attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
L Walford	20	17
R Brown	20	18
T McGovern	20	9
A Seaton	20	20
R Hungerford	20	16
I Anderson	4	4
P Collison	20	18
P Morris	16	12

Company Secretary

Scott Franklin was appointed as the company secretary on 14 September 2016.

Membership Details

The Lightning Ridge District Bowling Club Limited is a public company limited by guarantee and no shares or options are issued. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the company.

Membership Class	Number of Members	Individual Members Contribution on winding up of Company	Total Members Contribution on winding up of Company
Life / Honorary	5	\$ 2	\$ 10
Bowling	99	\$ 2	\$ 198
Associate	3,033	\$ 2	\$ 6,066
Total	3,137	\$ 2	\$ 6,274

Auditors' Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to these financial statements.

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



L Walford
President



R Hungerford
Treasurer

Dated: 13 November 2017

Crowe Horwath Central North
ABN 91 680 058 554
Member Crowe Horwath International

Audit & Assurance Services

149 Otho Street
Inverell NSW 2360 Australia
PO Box 164
Inverell NSW 2360 Australia

Tel 02 6728 8800
Fax 02 6722 1005
www.crowehorwath.com.au

**AUDITORS' INDEPENDENCE DECLARATION
UNDER 307C OF THE CORPORATIONS ACT 2001
TO THE BOARD MEMBERS OF
LIGHTNING RIDGE DISTRICT BOWLING CLUB LIMITED**

ABN 92 001 165 210

I declare that, to the best of my knowledge and belief, during the financial year to 30 June 2017 there has 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.

CROWE HORWATH CENTRAL NORTH



Kylie Ellis
Audit Partner
Registered Company Auditor (ASIC RAN 483424)
149 Otho St
INVERELL NSW 2360

Dated: 13 November 2017

LIGHTNING RIDGE DISTRICT BOWLING CLUB LIMITED
ABN 92 001 065 210

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Sales revenue	3	4,457,681	4,536,636
Cost of goods sold		<u>(2,053,726)</u>	<u>(2,195,028)</u>
Gross profit		<u>2,403,955</u>	<u>2,341,608</u>
Other revenue	3	4,161,684	4,079,514
Administration expenses		(275,775)	(246,944)
Bowls expenses		(113,494)	(116,223)
Depreciation expense	4	(496,295)	(519,311)
Direct overheads		(191,188)	(217,500)
Employee benefits expense		(3,047,494)	(3,356,726)
Finance costs	4	(38,222)	(14,699)
Gaming expenses		(719,323)	(761,932)
Market day expenses		(181,629)	(159,383)
Marketing and advertising		(470,506)	(469,394)
Occupancy costs		(482,477)	(518,861)
Repairs and maintenance		<u>(308,444)</u>	<u>(264,625)</u>
Profit/(Loss) before income tax expense		<u>240,792</u>	<u>(224,476)</u>
Income tax (expense)/revenue	1 (b), 5	<u>(109,908)</u>	<u>42,024</u>
Profit/(Loss) after income tax expense		<u>130,884</u>	<u>(182,452)</u>
Other comprehensive income			
Net fair value gain/(loss) on remeasurement of investments in listed equities available for sale, net of tax	9 (a)	<u>127,020</u>	<u>86,100</u>
Other comprehensive income for the year, net of tax		<u>127,020</u>	<u>86,100</u>
Total comprehensive income for the year		<u>\$ 257,904</u>	<u>\$ (96,352)</u>
Total comprehensive income attributable to members of the entity		<u>\$ 257,904</u>	<u>\$ (96,352)</u>

LIGHTNING RIDGE DISTRICT BOWLING CLUB LIMITED
ABN 92 001 065 210

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	747,977	750,148
Trade and other receivables	7	55,853	20,822
Inventories	8	251,541	276,141
Other current assets	11	54,524	67,268
TOTAL CURRENT ASSETS		1,109,895	1,114,379
NON CURRENT ASSETS			
Financial assets	9	451,200	276,000
Property, plant and equipment	10	3,768,713	3,304,707
Deferred tax assets	5	273,143	386,577
TOTAL NON CURRENT ASSETS		4,493,056	3,967,284
TOTAL ASSETS		5,602,951	5,081,663
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	435,828	404,385
Borrowings	13	491,430	367,316
Current tax liabilities	5	44,654	-
Employee benefits	14	179,287	210,722
Other liabilities	15	3,666	7,328
TOTAL CURRENT LIABILITIES		1,154,865	989,751
NON CURRENT LIABILITIES			
Borrowings	13	239,524	124,550
Employee benefits	14	70,151	86,855
TOTAL NON CURRENT LIABILITIES		309,675	211,405
TOTAL LIABILITIES		1,464,540	1,201,156
NET ASSETS		\$ 4,138,411	\$ 3,880,507
EQUITY			
Reserves		263,175	131,460
Retained earnings		3,875,236	3,749,047
TOTAL EQUITY		\$ 4,138,411	\$ 3,880,507

The accompanying notes form part of these financial statements.

LIGHTNING RIDGE DISTRICT BOWLING CLUB LIMITED
ABN 92 001 065 210

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Reserves \$	Retained Earnings \$	Total \$
Balance at 1 July 2015	45,360	3,931,499	3,976,859
Loss after income tax expense	-	(182,452)	(182,452)
Total other comprehensive income for the year	<u>86,100</u>	<u>-</u>	<u>86,100</u>
Balance at 30 June 2016	<u>\$ 131,460</u>	<u>\$ 3,749,047</u>	<u>\$ 3,880,507</u>
Profit after income tax expense	-	130,884	130,884
Total other comprehensive income for the year	127,020	-	127,020
Transfers to/(from) reserves	<u>4,695</u>	<u>(4,695)</u>	<u>-</u>
Balance at 30 June 2017	<u>\$ 263,175</u>	<u>\$ 3,875,236</u>	<u>\$ 4,138,411</u>

LIGHTNING RIDGE DISTRICT BOWLING CLUB LIMITED
ABN 92 001 065 210

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		8,514,201	8,610,286
Payments to suppliers and employees		(7,791,208)	(8,430,090)
Interest received		7,879	5,813
Finance costs		(38,222)	(14,699)
Income tax paid		-	32,907
Net cash provided by operating activities	18 (b)	<u>692,650</u>	<u>204,217</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		32,217	-
Purchase of property, plant and equipment		<u>(966,126)</u>	<u>(297,833)</u>
Net cash used in investing activities		<u>(933,909)</u>	<u>(297,833)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		556,950	142,615
Repayment of borrowings		<u>(317,862)</u>	<u>(132,865)</u>
Net cash provided by financing activities		<u>239,088</u>	<u>9,750</u>
Net decrease in cash held		(2,171)	(83,866)
Cash at the beginning of the financial year		<u>750,148</u>	<u>834,014</u>
Cash at the end of the financial year	18 (a)	<u>\$ 747,977</u>	<u>\$ 750,148</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

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 preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1 (o).

The financial statements were authorised for issue on 13 November 2017 by the directors of the company.

Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) 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 the cessation of all involvements 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.

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

(b) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liability are calculated at the tax rates that are expected to apply for the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right to set-off exists and is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchange or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled with 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(d) 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.

(e) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. 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.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to Note 1(i) for further discussion on the determination of impairment losses.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value on the first in first out method.

(g) Property, Plant and Equipment

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

Property

Freehold land and buildings are measured at cost less accumulated depreciation and impairment losses.

Plant and Equipment

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

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

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 profit or loss and other comprehensive income during the financial period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a diminishing value basis over their useful lives to the company commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant & Equipment, Furniture & Fittings	5 - 40%

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of 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.

(h) 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 is adopted).

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

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest rate 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 contract terms) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of profit or loss and other comprehensive income.

(i) Financial assets at fair value through profit and loss.

Financial assets are classified as 'fair value through profit and loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

(ii) Financial liabilities

Non-derivative financial liabilities, other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised through the statement of profit or loss and other comprehensive income through the amortisation process and when the financial liability is recognised.

Fair value

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

Impairment

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

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive income.

(i) 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 sources of information and internal sources of information. 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 value. Any excess of the asset's carrying value of 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 receivable amount of the cash-generating unit to which the asset belongs.

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

(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) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

(l) 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 are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

(m) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government or commercial bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(n) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Commitments and contingencies are disclosed on a gross basis.

(o) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in note 1 (m), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

LIGHTNING RIDGE DISTRICT BOWLING CLUB LIMITED
ABN 92 001 065 210

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

(p) New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2: Accounting Policies, Changes in Accounting Estimates and Errors

The club has purchased a number of poker machines and related equipment using Lease Agreements, based upon a review of these agreements ownership of the machines passes to the club at the time of the first payment with all the related risks and responsibilities of ownership. These agreements have previously been treated as equipment hire arrangements, which is no longer considered an appropriate method of treatment. As a result these balances were adjusted in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, the prior period accounts have been restated. What follows is the result of the restatement.

	Original 2016 \$	Effect of Restatement \$	Restated 2016 \$
STATEMENT OF FINANCIAL POSITION			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	3,154,763	149,944	3,304,707
Deferred tax assets	142,514	244,063	386,577
TOTAL NON CURRENT ASSETS	3,573,277	394,007	3,967,284
TOTAL ASSETS	4,687,657	394,006	5,081,663
LIABILITIES			
CURRENT LIABILITIES			
Borrowings	310,641	56,675	367,316
TOTAL CURRENT LIABILITIES	933,077	56,674	989,751
NON CURRENT LIABILITIES			
Borrowings	82,045	42,505	124,550
TOTAL NON CURRENT LIABILITIES	168,900	42,505	211,405
TOTAL LIABILITIES	1,101,977	99,179	1,201,156
NET ASSETS	\$ 3,585,680	\$ 294,827	\$ 3,880,507
EQUITY			
Reserves	-	131,460	131,460
Retained earnings	3,585,680	163,367	3,749,047
TOTAL EQUITY	\$ 3,585,680	\$ 294,827	\$ 3,880,507

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	Original 2016 \$	Effect of Restatement \$	Restated 2016 \$
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Sales revenue	7,933,722	(3,397,086)	4,536,636
Gross profit	5,738,694	(3,397,086)	2,341,608
Other revenue	682,428	3,397,086	4,079,514
Administration expenses	(251,666)	4,722	(246,944)
Depreciation expense	(502,309)	(17,002)	(519,311)
Gaming expenses	(785,546)	23,614	(761,932)
Marketing and advertising	(469,393)	(1)	(469,394)
Occupancy costs	(523,583)	4,722	(518,861)
Repairs and maintenance	(288,240)	23,615	(264,625)
Loss before income tax expense	(264,146)	39,670	(224,476)
Income tax (expense)/revenue	3,530	38,494	42,024
Loss after income tax expense	(260,616)	78,164	(182,452)
Net fair value gain/(loss) on remeasurement of investments in listed equities available for sale, net of tax	123,000	(36,900)	86,100
Total comprehensive income for the year	\$ (137,616)	\$ 41,264	\$ (96,352)

	Original 2015 \$	Effect of Restatement \$	Restated 2015 \$
--	---------------------------------	---	---------------------------------

STATEMENT OF FINANCIAL POSITION

ASSETS

NON CURRENT ASSETS

Property, plant and equipment	3,415,909	166,946	3,582,855
Deferred tax assets	138,984	242,469	381,453
TOTAL NON CURRENT ASSETS	3,707,893	(409,415)	3,298,478
TOTAL ASSETS	4,883,696	(409,415)	4,474,281

LIABILITIES

CURRENT LIABILITIES

Borrowings	345,097	155,854	500,951
TOTAL CURRENT LIABILITIES	1,084,385	155,854	1,240,239
TOTAL LIABILITIES	1,160,400	(155,854)	1,316,254
NET ASSETS	\$ 3,723,296	\$ (253,563)	\$ 3,976,859

EQUITY

Reserves	-	45,360	45,360
Retained earnings	3,723,296	208,203	3,931,499
TOTAL EQUITY	\$ 3,723,296	\$ 253,563	\$ 3,976,859

LIGHTNING RIDGE DISTRICT BOWLING CLUB LIMITED
ABN 92 001 065 210

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Note 3: Revenue			
Sales revenue:			
Sale of goods		3,478,860	3,654,856
Accommodation income - Wallangulla Motel		847,593	832,599
Bingo income		23,830	25,300
Bowling income		107,398	23,881
Total sales revenue		4,457,681	4,536,636
Other revenue:			
Dividend income		4,545	1,600
Gaming tax rebate		17,180	-
Interest received from other persons		7,879	5,813
Market day		216,688	206,232
Member subscriptions		24,863	53,820
Other income		202,226	146,194
Poker machine revenue		3,387,271	3,397,088
Profit/(loss) on sale of assets		58,592	-
Rebates and commissions		242,440	268,769
Total other revenue:		4,161,684	4,079,516
Total revenue		\$ 8,619,365	\$ 8,616,152

Note 4: Profit for the Year

(a) Significant expenses:

Cost of sales	2,053,726	2,195,029
Depreciation	496,295	519,311
Electricity	234,786	255,980
Finance costs	38,222	14,699
Insurance	80,498	76,047
Member discounts	96,566	102,248
Payroll tax	121,039	124,627
Poker machine duty	567,690	573,077
Promotions	145,719	111,592
Provision for employee entitlements	(48,140)	100,696
Repairs and maintenance	308,444	264,625
Salary and wages	2,626,132	2,757,059
Superannuation	233,465	246,152

(b) Auditor's remuneration

- audit of the financial statements	35,000	32,800
- other services	3,500	3,000

LIGHTNING RIDGE DISTRICT BOWLING CLUB LIMITED
ABN 92 001 065 210

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note	2017 \$	2016 \$
Note 5: Income Tax		
(a) The prima facie tax on profit from income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit before income tax at 27.5% (2016:30%)	66,218	(67,343)
Add/(Less): Tax effect of;		
Permanent differences	78,703	-
Temporary differences	38,175	1,335
Non-assessable profit from members	(47,252)	-
Tax losses (utilised)/carried forward	<u>(25,936)</u>	<u>23,954</u>
Income tax expense/(benefit) attributable to the company	<u>\$ 109,908</u>	<u>\$ (42,054)</u>
(b) Assets and Liabilities		
Deferred tax asset	<u>273,143</u>	<u>386,577</u>
	<u>\$ 273,143</u>	<u>\$ 386,577</u>
Current tax liability	<u>44,654</u>	<u>-</u>
	<u>\$ 44,654</u>	<u>\$ -</u>
Note 6: Cash and Cash Equivalents		
Cash on hand	122,061	173,247
Cash at bank	307,076	245,917
Short-term deposits	<u>318,840</u>	<u>330,984</u>
	<u>\$ 747,977</u>	<u>\$ 750,148</u>
Note 7: Trade and Other Receivables		
CURRENT		
Trade receivables	<u>55,853</u>	<u>20,822</u>
	<u>\$ 55,853</u>	<u>\$ 20,822</u>
Note 8: Inventories		
CURRENT		
Stock on Hand, at cost:		
Liquor	215,954	189,061
Catering	-	53,756
Motel stock	12,768	12,768
Sundry items	<u>22,819</u>	<u>20,556</u>
	<u>\$ 251,541</u>	<u>\$ 276,141</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note	2017 \$	2016 \$
------	------------	------------

Note 9: Financial assets

Available-for-sale financial assets comprising:

- shares in listed corporations, at fair value	<u>\$ 451,200</u>	<u>\$ 276,000</u>
--	-------------------	-------------------

Available-for-sale assets comprise investments in the ordinary issued capital of Aristocrat. There are no fixed returns from fixed maturity dates attached to these assets.

(a) Movements in carrying amounts

Opening balance at 1 July	276,000	153,000
Fair value remeasurement	<u>127,020</u>	<u>86,100</u>
Closing balance at 30 June	<u>\$ 403,020</u>	<u>\$ 239,100</u>

Note 10: Property, Plant & Equipment

Land and Buildings (at cost)

Freehold land	<u>687,761</u>	<u>687,761</u>
Buildings	7,504,085	7,022,973
Less: Accumulated depreciation	<u>(5,375,852)</u>	<u>(5,252,073)</u>
	<u>2,128,233</u>	<u>1,770,900</u>

Total Land and Buildings	<u>2,815,994</u>	<u>2,458,661</u>
--------------------------	------------------	------------------

Plant and Equipment (at cost)

Plant and equipment	4,546,266	4,200,729
Less: Accumulated depreciation	<u>(3,593,547)</u>	<u>(3,354,683)</u>

Total Plant and Equipment	<u>952,719</u>	<u>846,046</u>
---------------------------	----------------	----------------

Total Property, Plant and Equipment	<u>\$ 3,768,713</u>	<u>\$ 3,304,707</u>
-------------------------------------	---------------------	---------------------

(a) Movements in carrying amounts

	Land and Buildings \$	Plant and Equipment \$	Total \$
Balance at the beginning of the year	2,458,661	846,046	3,304,707
Additions	480,430	485,693	966,123
Adjustments		(32,200)	(32,200)
Disposals	-	-	-
Depreciation expense	<u>(123,097)</u>	<u>(346,820)</u>	<u>(469,917)</u>
Carrying amount at the end of the year	<u>\$ 2,815,994</u>	<u>\$ 952,719</u>	<u>\$ 3,768,713</u>

(b) There is a registered mortgage over all properties owned by the company as well as a registered equitable mortgage over the assets of the club including working capital.

(c) No impairment has been recognised in respect of plant and equipment.

LIGHTNING RIDGE DISTRICT BOWLING CLUB LIMITED
ABN 92 001 065 210

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note	2017 \$	2016 \$
Note 11: Other Assets		
CURRENT		
Prepayments	<u>54,524</u>	<u>67,268</u>
	\$ 54,524	\$ 67,268
Note 12: Trade and Other Payables		
CURRENT		
Unsecured liabilities;		
Trade payables	189,759	74,432
Sundry payables and accrued expenses	<u>246,069</u>	<u>329,953</u>
	\$ 435,828	\$ 404,385
Note 13: Borrowings		
CURRENT		
Unsecured liabilities:		
Insurance premium funding	43,657	-
Secured liabilities:		
Bank loan	183,116	255,024
Hire purchase facility	<u>264,657</u>	<u>112,292</u>
	<u>491,430</u>	<u>367,316</u>
NON-CURRENT		
Secured liabilities:		
Hire purchase facility	<u>239,524</u>	<u>124,550</u>
	<u>239,524</u>	<u>124,550</u>
Total Borrowings	\$ 730,954	\$ 491,866
(a) Total current and non-current secured liabilities:		
Bank loan	183,116	255,024
Hire purchase facility	<u>504,181</u>	<u>236,842</u>
	\$ 687,297	\$ 491,866
(b) The bank overdraft is secured by fixed and floating charge over all assets of the Club.		
(c) Hire purchase liabilities are secured by the underlying leased assets.		
(d) The bank loan is secured by the Club, the Wallangulla Motel and 25 Harlequin Street, Lightning Ridge.		
(e) The unused portion of approved finance facilities are:		
Bank loan	23,009	18,513
Bank overdraft	<u>430,000</u>	<u>430,000</u>
	\$ 453,009	\$ 448,513

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Note 14: Provisions			
CURRENT			
Provision for annual leave		100,008	131,277
Provision for long service leave		79,279	79,445
		<u>\$ 179,287</u>	<u>\$ 210,722</u>
NON-CURRENT			
Provision for long service leave		70,151	86,855
		<u>\$ 70,151</u>	<u>\$ 86,855</u>
(a) Aggregate employee benefits liability		<u>\$ 249,438</u>	<u>\$ 297,577</u>

Provision for employee benefits

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

Note 15: Other Liabilities

CURRENT

Subscriptions received in advance		3,666	7,328
		<u>3,666</u>	<u>\$ 7,328</u>

Note 16: Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable 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 assets

Cash and cash equivalents	5	747,977	750,148
Loans and receivables	7	55,853	20,822
Available-for-sale financial assets, at fair value	9	451,200	276,000
		<u>\$ 1,255,030</u>	<u>\$ 1,046,970</u>

Financial liabilities

Financial liabilities at amortised cost:			
Trade and other payables	12	435,828	404,385
Borrowings	13	730,954	491,866
		<u>\$ 1,166,782</u>	<u>\$ 896,251</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note	2017 \$	2016 \$
------	------------	------------

Note 17: Reserves

	Available-for-sale Reserve \$	Total \$
Balance at 1 July 2015	45,360	45,360
Revaluation - gross	123,000	123,000
Deferred tax	(36,900)	(36,900)
Balance at 30 June 2016	131,460	131,460
Revaluation - gross	175,200	175,200
Deferred tax	(48,180)	(48,180)
Tax adjustment as result of change in tax rate	4,695	4,695
Balance as at 30 June 2017	<u>\$ 263,175</u>	<u>\$ 258,480</u>

(a) Available-for-sale reserve

The reserve is used to recognise increments and decrements in the fair value of available-for-sale financial assets.

Note 18: Cash flow information

(a) Reconciliation of cash:

Cash at the end of the financial year as shown in the statement of cash flows is

Cash and cash equivalents	<u>747,977</u>	<u>750,148</u>
	<u>\$ 747,977</u>	<u>\$ 750,148</u>

(b) Reconciliation of cash flow from operations with profit from ordinary activities after

Profit after income tax expense	130,884	(182,452)
---------------------------------	---------	-----------

Non cash flows in profit after income tax expense:

Depreciation	496,295	519,311
Profit on sale of fixed assets	(58,592)	-
Non cash adjustment to assets	32,200	-

Changes in assets and liabilities:

(Increase)/decrease in trade and other receivables	(35,031)	10,804
(Increase)/decrease in inventories	24,600	(61,850)
(Increase)/decrease in prepaid expenses	12,744	(4,303)
Increase/(decrease) in creditors and accruals	31,443	(116,685)
Increase/(decrease) in provisions	(48,139)	59,359
Increase/(decrease) in other liabilities	(3,662)	(10,850)
Increase/(Decrease) in current tax liabilities	44,654	32,907
Increase/(Decrease) in deferred tax liabilities	65,254	(42,024)

Cash flows from operations	<u>\$ 692,650</u>	<u>\$ 204,217</u>
----------------------------	-------------------	-------------------

LIGHTNING RIDGE DISTRICT BOWLING CLUB LIMITED
ABN 92 001 065 210

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note	2017 \$	2016 \$
------	------------	------------

Note 19: Capital Commitments

As at 30 June 2017, the company had not engaged in any capital commitments.

Note 20: Events After 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.

Note 21: Related Party Transactions

Related Parties

The following employees worked at the Club during the year who are related parties of Directors and Key Management:
L Brown, P Brown, G Burns and N Burns.

Other Related Parties

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

Key Management Personnel

The totals of remuneration paid to key management personnel (KMP) during the year are as follows:

Key management personnel compensation	<u>\$ 374,273</u>	<u>\$ 449,596</u>
Number of key management personnel	<u>4</u>	<u>4</u>

Note 22: Contingent Liabilities - Mortality Scheme

The Club operates a Mortality Scheme which provides a mortuary payment of \$500 on behalf of certain members. All full members registered prior to October 1999 are entitled to make such applications under this scheme. At balance date the total number of members entitled was 308.

Note 23: Sub Clubs

The economic entity which the Lightning Ridge District Bowling Club Limited comprises the activities of the Club and the mixed travelling bowlers, carpet bowlers and women's bowls sub clubs. The directors are of the opinion that it is impractical to consolidate the activities of these sub clubs with those of the Lightning Ridge District Bowling Club Limited on the basis of materiality. At 30 June 2017, the sub committees have a combined net assets \$24,013 and a combined profit of \$3,353. (2016: combined net assets \$20,661 and a combined loss of \$1,031).

Note 24: Company Details

The club is incorporated and domiciled in Australia as a company limited by guarantee.

The registered office and principal place of business is:

Lightning Ridge District Bowling Club Limited
Agate Street
LIGHTNING RIDGE NSW 2834

LIGHTNING RIDGE DISTRICT BOWLING CLUB LIMITED
ABN 92 001 065 210

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2017

The directors of the company declare that:

1. The attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. The attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
3. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



L Walford
President



R Hungerford
Treasurer

Dated: 13 November 2017

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
LIGHTNING RIDGE DISTRICT BOWLING CLUB LIMITED**

ABN 92 001 065 210

Opinion

We have audited the accompanying financial report of Lightning Ridge Bowling Club Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the financial report of Lightning Ridge Bowling 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 30 June 2017 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards Reduced Disclosure Requirements as described in Note 1 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 Company 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
LIGHTNING RIDGE DISTRICT BOWLING CLUB LIMITED**

ABN 92 001 065 210

Responsibilities of the Directors 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.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue 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 Company 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 the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.

CROWE HORWATH CENTRAL NORTH



Kylie Ellis
Audit Partner
Registered Company Auditor (ASIC RAN 483424)
149 Otho St
INVERELL NSW 2360

Dated: 17 November 2017