

Iluka Bowls Club Limited

Directors' Report and Financial Statements

for the Year Ended 30 June 2011

Iluka Bowls Club Limited
Directors' Report for the Year Ended 30 June 2011

The directors present their report and the audited financial statements of the company for the year ended 30 June 2011.

The directors who held office during the year were as follows:

- N R Gray
- W D Burnes
- M P Hammond
- A F Day
- R R Flaherty
- R W Greenwood
- D J Mills
- J L Reynolds (resigned 29 August 2010)
- L Thomme(resigned 29 August 2010)
- P J Wheeler (resigned 29 August 2010)

OBJECTIVES

The short and long term objectives of Iluka Bowls Club Limited are:

- i) to ensure that the club's financial position remains sound in both the short and long term so that members can enjoy their Club for many years to come;
- ii) to make sound decisions that promote the game of lawn bowls and provides a place for both members and visitors to enjoy socially; and
- iii) to make improvements to the existing clubhouse and greens and to improve the asset position of the club's balance sheet.

The strategy that the club employs to achieve those objectives is to;

- i) carefully monitor income and expenditure to improve operating profit;
- ii) introduce new ideas that will attract more people to the club to improve income streams;
- iii) promote lawn bowls at every opportunity - especially to the younger generation who will be our bowlers of the future; and
- iv) look at both commercial and residential developments that will improve the club's asset base and provide additional income on a long term basis for the club.

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were playing and promoting the game of lawn bowls and providing a meeting place for members and visitors to enjoy socially, whether it be for sport, entertainment, food or leisure activities.

Iluka Bowls Club Limited

Directors' Report for the Year Ended 30 June 2011

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Those activities assisted in achieving the entity's objectives by providing the best bowling greens in the area and by continually looking at ways to attract more bowlers of both genders. This has provided the club with an excellent source of income so the club can make improvements and remain viable into the future. The club has ensured that it continues to provide a quality venue for members and visitors to enjoy socially and has promoted its facilities to bowlers, sporting organisations and visitors in the township of Iluka. The club has also been able to undertake many capital improvements over the financial year including a new residence, air conditioning system and maintenance shed.

MEASUREMENT OF PERFORMANCE

The Iluka Bowls Club Limited measures its performance by profit and customer satisfaction. Performance is also measured against budget forecasts. Key performance indicators used by the club in monitoring performance include review of gross profit, profit to turnover and profit to income percentages..

REAL PROPERTY

The core property of the Club as at the end of the financial year was:

- Club House and Greens (Lot 1 DP 758535)
- Denne Street (Lot 1 DP 823657)
- 1/2 BBQ area (Lot 11 DP 704283)

The non-core property held by the Club at the end of the financial year was:

- Sports Field (Lot 93 DP 822834)
- Land at end of Sports Field/ Long Street (Lot 91 DP 821934)
- Residence (Lot 4 DP 758535)
- Managers' Residence (Lot 5 DP 758535)
- 1/2 BBQ area (Lot 11 DP 822834)
- Laneways at side of BBQ and Restaurant (Lot 1 and Lot 2 DP 43317)

Iluka Bowls Club Limited

Directors' Report for the Year Ended 30 June 2011

..... *continued*

DIRECTORS

The qualifications, experience and special responsibilities of the company's directors are as follows:

	Qualifications	Experience	Special Responsibilities
N R Gray	Retired Plant Operator	Board member 12 years	Chairperson
W D Burnes	Retired Fisherman	Board member 3 years	Senior Vice Chairperson
M P Hammond	Retired Office Manager	Board member 9 years	Junior Vice Chairperson
A F Day	Retired Electrical Linesperson	Board Member 2 years	
R R Flaherty	Retired Credit Manager	Board member 10 years	
R W Greenwood	Retired Farmer	Board member 12 years	
D J Mills	Retired Truck Driver	Board member 5 years	

MEETINGS OF DIRECTORS

During the financial year 15 meetings of directors were held. Attendance's were:

	Number attended	Number eligible to attend
N R Gray	15	15
W D Burnes	12	15
M P Hammond	14	15
A F Day	10	15
R R Flaherty	15	15
R W Greenwood	15	15
D J Mills	13	15
J L Reynolds	4	4
L Thomme	3	4
P J Wheeler	3	4

MEMBERS LIABILITY

If the company is wound up, the constitution states that each member of the club is liable to contribute a maximum of \$5 each toward meeting any outstanding obligations of the Club. At 30 June 2011 the maximum total amount that members of the company would be liable to contribute if the company is wound up is \$7,365.

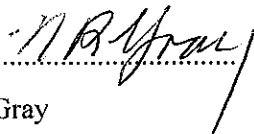
Iluka Bowls Club Limited
Directors' Report for the Year Ended 30 June 2011


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AUDITOR'S INDEPENDENCE DECLARATION

The directors received an independence declaration from the auditor of Iluka Bowls Club Limited. A copy of the independence declaration is attached on page 5.

This report is made in accordance with a resolution of the Board of Directors on 25 July 2011 and signed on its behalf by:


.....
N R Gray
Director


.....
W D Burnes
Director

Iluka Bowls Club Limited

Auditor's Independence Declaration under section 307C of the Corporations Act 2001

25 July 2011

The Board of Directors
Iluka Bowls Club Limited
75-77 Spenser Street
ILUKA NSW 2466

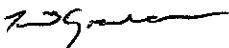
This declaration is made in connection with our audit of the financial report of the Iluka Bowls Club Limited for the year ended 30 June 2011 and in accordance with the provisions of the Corporations Act 2001.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

- i. no contraventions of the auditor's 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.

Yours faithfully,

WAPPETT & PARTNERS


Trevor W Graham
Partner



Liability limited by a scheme approved under Professional Standards Legislation

PARTNERS

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Iluka Bowls Club Limited

Statement of Comprehensive Income for the Year Ended 30 June 2011

	2011 \$	2010 \$
Revenue from ordinary activities (note 2)	1,769,932	1,754,565
Expenses from ordinary activities, excluding finance costs and depreciation (note 3)	(1,665,303)	(1,643,834)
Profit/(loss) from ordinary activities before depreciation, finance costs and income tax expense	<u>104,629</u>	<u>110,731</u>
Depreciation expense (note 3)	(238,243)	(231,468)
Loss before income tax	<u>(133,614)</u>	<u>(120,737)</u>
Income tax expense relating to ordinary activities (note 1)	-	-
Profit/(loss) after income tax	<u>(133,614)</u>	<u>(120,737)</u>

The notes on pages 10 to 24 form an integral part of these financial statements.

Ihuka Bowls Club Limited
Statement of Financial Position as at 30 June 2011

	2011	2010
Note	\$	\$
Assets		
Current Assets		
Cash and cash equivalents	4 227,364	165,897
Trade and other receivables	6 1,847	1,846
Inventories	7 36,547	46,420
Other current assets	8 17,279	15,169
Financial assets	5 158,522	161,483
Total Current Assets	<u>441,559</u>	<u>390,815</u>
Non Current Assets		
Property, plant and equipment	9 <u>3,382,029</u>	<u>3,499,883</u>
Total Assets	<u>3,823,588</u>	<u>3,890,698</u>
Current Liabilities		
Trade and other payables	10 108,740	87,721
Financial liabilities	12 4,528	4,344
Other liabilities	11 19,321	22,914
Provisions	13 78,836	69,245
Total Current Liabilities	<u>211,425</u>	<u>184,224</u>
Non Current Liabilities		
Financial liabilities	12 191,276	195,711
Trade and other payables	10 43,320	-
Provisions	13 4,805	4,387
Total Non Current Liabilities	<u>239,401</u>	<u>200,098</u>
Total Liabilities	<u>450,826</u>	<u>384,322</u>
Net assets	<u>3,372,762</u>	<u>3,506,376</u>
Equity		
Retained earnings	<u>3,372,762</u>	<u>3,506,376</u>
Total Equity	<u>3,372,762</u>	<u>3,506,376</u>

The notes on pages 10 to 24 form an integral part of these financial statements.

Iuka Bowls Club Limited
Statement of Changes in Equity for the Year Ended 30 June 2011

	Note	2011 \$	2010 \$
Total Equity at the beginning of the financial year		3,506,376	3,627,113
Profit/(Loss) from ordinary activities after income tax		(133,614)	(120,737)
Total Equity at the end of the financial year	14	<u>3,372,762</u>	<u>3,506,376</u>

The notes on pages 10 to 24 form an integral part of these financial statements.

Iluka Bowls Club Limited

Statement of Cash Flows for the Year Ended 30 June 2011

	Note	2011 \$	2010 \$
Cash Flows From Operating Activities			
Cash receipts in the course of operations		1,934,552	1,921,767
Cash payments in the course of operations		(1,815,737)	(1,778,062)
Interest received		10,282	9,188
Interest Paid		(15,857)	(3,675)
Net cash provided by/(used in) operating activities	17(b)	113,240	149,218
Cash Flows From Investing Activities			
Payments for property, plant and equipment		(50,483)	(499,627)
Proceeds on sale of plant and equipment		-	-
Additional Funds Invested		-	-
Funds Withdrawn from Investment		2,961	102,489
Net cash provided by/(used in) investing activities		(47,522)	(397,138)
Cash Flows From Financing Activities			
Loan Funds Borrowed		-	202,684
Loan Funds Repaid		(4,251)	(2,629)
Net cash provided by(used in) financing activities		(4,251)	200,054
Net increase/(decrease) in cash held		61,467	(47,866)
Cash at the beginning of the financial year		165,897	213,763
Cash at the end of the financial year	17(a)	227,364	165,897

The notes on pages 10 to 24 form an integral part of these financial statements.

Huka Bowls Club Limited

Notes to the Financial Statements for the Year Ended 30 June 2011

Note 1: Statement of Significant Accounting policies

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

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRSs).

Historical Cost Convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment.

Critical Accounting Estimates

The preparation of financial statements in conformity with AIFRS 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 or estimates are significant to the financial statements are disclosed in note 1(1).

a. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

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

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

b. Inventories

Inventories on hand consist of beer, wines, spirits, cordials and other items purchased for resale.

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

Iluka Bowls Club Limited

Notes to the Financial Statements for the Year Ended 30 June 2011

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c. Property, Plant and Equipment

Plant and equipment are carried at cost less, where applicable, any accumulated depreciation or amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 income statement during the financial period in which they are incurred.

Depreciation

Depreciation on plant and equipment is calculated using the straight line or diminishing value method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Clubhouse Buildings	- up to 75 years
Ground Improvements	- up to 14 years
Bowling Green Plant	- up to 14 years
Floor Coverings	- up to 7 years
Fixtures & Fittings	- up to 14 years
Plant & Equipment	- up to 14 years
Poker Machines	- up to 7 years

d. Financial Instruments

Recognition

The company classifies its investments in the following categories: loans and receivables, held-to-maturity investments and available-for-sale financial assets. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets as receivables in the balance sheet (note 6).

Held-to-maturity Investments

These investments have fixed maturities, and it is the Company's intention to hold these investments to maturity. Any held-to-maturity investments held by the Company are stated at amortised cost using the effective interest rate method.

Iluka Bowls Club Limited

Notes to the Financial Statements for the Year Ended 30 June 2011

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Available-for-sale financial assets

Are non-derivative financial assets that are either designated as available-for-sale or are not classified as financial assets at fair value through profit and loss, held-to-maturity investments or loans and receivables.

Available-for-sale financial assets are carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Financial Liabilities

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

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

e. Impairment of Assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and its value in use which is based on the depreciated replacement cost of the asset.

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

f. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related oncosts. 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.

g. Cash and Cash Equivalents

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

Iluka Bowls Club Limited

Notes to the Financial Statements for the Year Ended 30 June 2011

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h. Goods and Services Tax (GST)

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

i. Borrowing Costs

All borrowing costs are recognised in income in the period in which they are incurred.

j. Income Tax

The company has been granted exemption from income tax under the Income Tax Assessment Act.

k. Intangibles

Intangible assets include poker machine licences, which were previously granted to the entity. Intangible assets are required to be recognised under Accounting Standard AASB 138 Intangible Assets at fair value. The fair value of these licences cannot be reliably measured at the date of the grant of the licence. The company has therefore not assigned a value to the intangible assets in the balance sheet.

l. Critical accounting estimates and judgments

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

Key estimates: Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to the impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Iluka Bowls Club Limited

Notes to the Financial Statements for the Year Ended 30 June 2011

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m. **New Accounting Standards for Application in Future Periods**

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. The new accounting standards are not expected to have a material effect on the financial statements of the company.

2 **Revenues from Ordinary Activities**

	2011	2010
	\$	\$
Sales revenue	626,173	632,414
<i>Other Operating Revenue</i>		
Poker machine revenue	771,538	792,502
Club Keno commission	34,302	31,399
TAB commission	7,904	5,707
Green Fees	43,869	29,879
Interest received	10,283	9,156
Members Subscriptions	22,478	20,609
Rent received	37,882	23,797
Revenue - Sub Entities	165,403	166,212
Other revenue	50,100	42,890
Total	<u>1,769,932</u>	<u>1,754,565</u>

Iluka Bowls Club Limited

Notes to the Financial Statements for the Year Ended 30 June 2011

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3 Expenses from Ordinary Activities

Cost of Sales	297,938	302,215
Depreciation	238,243	231,468
Salaries & wages and related costs	567,026	564,196
Repairs & Maintenance	141,629	149,247
Advertising	8,284	13,419
Austar	13,588	13,028
Cleaning Contractors	55,413	51,299
Electricity	84,155	76,788
Gas - BBQ & Kitchen	15,911	14,941
Honorariums	20,390	24,993
Insurance	34,769	30,313
Interest Paid	15,857	3,675
Legal Costs	2,541	371
Loan Borrowing Costs	-	2,684
Pennant Expenses	1,953	2,233
Printing & Stationery	5,142	7,214
Promotions Expense	22,838	19,656
Provision for employee benefits	10,009	3,855
Rates	11,154	11,728
Sky Channel	16,824	14,110
Telephone	11,242	12,016
Auditor's remuneration		
- Auditing financial report	13,520	13,000
- Accounting services	5,200	5,900
- Other Services	2,810	1,100
Expenses - Sub Entities	167,835	170,347
Other expenses from ordinary activities	139,275	135,506
Total	<u>1,903,546</u>	<u>1,875,302</u>

Iluka Bowls Club Limited

Notes to the Financial Statements for the Year Ended 30 June 2011

..... *continued*

4 Cash and cash equivalents

	2011	2010
	\$	\$
CURRENT		
Cash at Bank	100,374	50,070
Cash at Bank - TAB Account	26,260	14,641
Cash at Bank - Sub Entities	34,458	33,929
Cash on Hand	66,272	67,257
	<u>227,364</u>	<u>165,897</u>

5 Financial assets

	2011	2010
	\$	\$
CURRENT		
Available-for-sale financial assets (5a)	20	20
Held-to-maturity financial assets (5b)	158,503	161,463
	<u>158,523</u>	<u>161,483</u>
a. Available-for-sale financial assets		
Shares - Big River Credit Union Limited	20	20
	<u>20</u>	<u>20</u>
b. Held-to-maturity financial assets		
Term Deposit	150,000	150,000
Term Deposit - Sub Entities	8,503	11,463
	<u>158,503</u>	<u>161,463</u>

6 Trade and other receivables

	2011	2010
	\$	\$
CURRENT		
Sundry Debtors & Accrued Income	<u>1,847</u>	<u>1,846</u>

Iluka Bowls Club Limited

Notes to the Financial Statements for the Year Ended 30 June 2011

..... *continued*

7 Inventories

	2011	2010
	\$	\$
CURRENT		
Trading Stock	<u>36,547</u>	<u>46,420</u>

8 Other current assets

	2011	2010
	\$	\$
CURRENT		
Prepayments	12,279	10,169
Security Deposits Paid	5,000	5,000
	<u>17,279</u>	<u>15,169</u>

9 Property, Plant and Equipment

	2011	2010
	\$	\$
Land & Buildings - at cost	3,158,079	3,152,800
Less accumulated depreciation	<u>(303,407)</u>	<u>(255,051)</u>
	2,854,672	2,897,749
Bowling Greens & Ground Improvements - at cost	97,739	84,257
Less accumulated depreciation	<u>(59,876)</u>	<u>(50,562)</u>
	37,863	33,695
Poker machines - at cost	794,882	745,997
Less accumulated depreciation	<u>(609,334)</u>	<u>(567,133)</u>
	185,548	178,864
Plant, Equipment, Furniture & Fittings - at cost	1,254,822	1,242,377
Less accumulated depreciation	<u>(950,876)</u>	<u>(852,803)</u>
	303,946	389,574
Total Property, Plant and Equipment	<u>3,382,029</u>	<u>3,499,882</u>

Iluka Bowls Club Limited

Notes to the Financial Statements for the Year Ended 30 June 2011

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Movement in Carrying Amounts

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

2011	Land and Buildings \$	Plant and Equipment \$	Poker Machines \$	Greens & Grounds \$	Total \$
Balance at the beginning of the year	2,897,749	389,574	178,864	33,695	3,499,882
Additions at cost	5,279	18,236	84,165	13,482	121,162
Disposals	-	(772)	-	-	(772)
Depreciation	(48,356)	(103,092)	(77,481)	(9,314)	(238,243)
Carrying amount at end of year	<u>2,854,672</u>	<u>303,946</u>	<u>185,548</u>	<u>37,863</u>	<u>3,382,029</u>

10 Trade and other payables

	2011 \$	2010 \$
CURRENT		
Trade creditors	69,414	47,778
GST	19,609	20,992
Accrued Expenses	19,717	18,951
	<u>108,740</u>	<u>87,721</u>
NON CURRENT		
Trade creditors	<u>43,320</u>	-
	<u>152,060</u>	<u>87,721</u>

11 Other Liabilities

	2011 \$	2010 \$
Subscriptions in Advance	<u>19,321</u>	<u>22,914</u>

Iluka Bowls Club Limited

Notes to the Financial Statements for the Year Ended 30 June 2011

..... *continued*

12 Financial Liabilities

	2011	2010
	\$	\$
CURRENT		
Loan - Bananacoast Community Credit Union Ltd	<u>4,528</u>	<u>4,344</u>
NON CURRENT		
Loan - Bananacoast Community Credit Union Ltd	<u>191,276</u>	<u>195,711</u>
	<u><u>195,804</u></u>	<u><u>200,055</u></u>

13 Provisions

	2011	2010
	\$	\$
CURRENT		
Current Provisions	<u>78,836</u>	<u>69,245</u>
NON CURRENT		
Non-Current Provisions	<u>4,805</u>	<u>4,387</u>
	<u><u>83,641</u></u>	<u><u>73,632</u></u>

The movement in Provision for Employee Benefits for the year was as follows:

	\$	\$
Opening Balance	73,632	69,776
Plus Amounts Provided for	<u>10,009</u>	<u>3,856</u>
Closing Balance	<u><u>83,641</u></u>	<u><u>73,632</u></u>
 a) Aggregate Employee Benefits	 89,314	 77,639

The aggregated employee benefits liability above includes amounts for wages and salaries, annual leave, long service leave and sick leave accrued as at 30 June 2011.

Iluka Bowls Club Limited

Notes to the Financial Statements for the Year Ended 30 June 2011

..... continued

14 Retained Profits/Equity

	2011	2010
	\$	\$
Net Profit/(Loss)	(133,614)	(120,737)
Retained profits at the beginning of the financial year	<u>3,506,376</u>	<u>3,627,113</u>
Retained profits at the end of the financial year	<u><u>3,372,762</u></u>	<u><u>3,506,376</u></u>

15 Events occurring after the Balance Sheet Date

There have been no events that have occurred after the balance sheet date which require adjustment or disclosure in the financial statements.

The Board of Directors of Iluka Bowls Club Limited have authorised the issue of this financial report on 25 July 2011.

16 Company Information

The company is a company limited by guarantee and incorporated in Australia. The registered office and principal place of business of the company is 75-79 Spenser Street, Iluka, NSW 2466. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$5 each toward meeting any outstanding obligations of the Club. At 30 June 2011 the number of members was 1,473 (2010 - 1,480).

17 Notes to the Cash Flow Statement

(a) RECONCILIATION OF CASH

For the purposes of the Cash Flow Statement, cash includes cash on hand and at bank and short-term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the balance sheet as follows:

	Note	2011	2010
		\$	\$
Cash at Bank	4	100,374	50,070
Cash at Bank - TAB Account	4	26,260	14,641
Cash at Bank - Sub Entities	4	34,458	33,929
Cash on Hand	4	<u>66,272</u>	<u>67,257</u>
		<u><u>227,364</u></u>	<u><u>165,897</u></u>

Iluka Bowls Club Limited

Notes to the Financial Statements for the Year Ended 30 June 2011

..... continued

**(b) RECONCILIATION OF OPERATING PROFIT AFTER INCOME TAX
TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating profit/(loss) after income tax	(133,614)	(120,737)
Add/(less) non-cash items:		
Depreciation	238,243	231,468
Provision for employee benefits	10,009	3,855
Term Deposit Interest Reinvested	-	(46)
Profit on sale of Non Current Assets	772	-
Net cash provided by operating activities before changes in assets and liabilities	115,410	114,540
Changes in assets & liabilities:		
(Increase)/decrease in Receivables	(1)	78
(Increase)/decrease in Inventories	9,873	274
(Increase)/decrease in Other Assets	(2,109)	20,116
(Decrease)/increase in Accounts Payable & Accrued Expenses	(4,958)	9,573
(Decrease)/increase in Tax Liabilities	(1,382)	4,740
(Decrease)/increase in Other Liabilities	(3,593)	(104)
Net cash provided by Operating Activities	113,240	149,217

(c) FINANCING ACTIVITIES

	2011	2010
	\$	\$
Bank overdraft facility	25,000	25,000
Amount utilised	-	-
Unused bank overdraft facility	25,000	25,000
Loan facility	195,804	200,055
Amount utilised	(195,804)	(200,055)
Unused loan facility	-	-

Iluka Bowls Club Limited

Notes to the Financial Statements for the Year Ended 30 June 2011

..... continued

18 Key Management Personnel Compensation

Key Management Personnel

Directors

N R Gray

W D Burnes

M P Hammond

A F Day

R R Flaherty

R W Greenwood

D J Mills

J L Reynolds (resigned 29 August 2010)

L Thomme (resigned 29 August 2010)

P J Wheeler (resigned 29 August 2010)

General Manager

C L Millard

Key Management Personnel Compensation

	Short-term benefits	Post-employment benefits	Total
	\$	\$	\$
2011			
Total Compensation	<u>102,835</u>	<u>7,270</u>	<u>110,105</u>
2010			
Total Compensation	<u>100,649</u>	<u>6,750</u>	<u>107,399</u>

19 Related parties

Related party transactions

The directors attended an annual directors dinner, were provided with club shirts and received a Christmas ham from the Club. The Club also paid for travel, accommodation, membership, training and telephone expenses incurred by Directors in their positions relating to Club business.

From time to time the directors of the company, or director-related entities may purchase/supply goods or services from/to the company. These purchases/ supplies are on the same terms and conditions as those entered into by other company employees, members, customers or suppliers.

The General Manager of the Club made rent payments in respect to the rental property owned by the Club of \$14,560. The rent charged was assessed as being at market value.

Iluka Bowls Club Limited

Notes to the Financial Statements for the Year Ended 30 June 2011

..... continued

20 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable. The company does not use derivative financial instruments.

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:

	Weighted Average Interest Rate	2011 \$	2010 \$
Financial Assets			
Cash at Bank	2.06%	161,092	98,640
Trade and other receivables	-	1,846	1,846
Available-for-sale financial assets			
- Shares in Bananacoast Credit Union	-	20	20
- Term Deposit - Bananacoast Credit Union (due within 6 months)	5.75%	150,000	150,000
- Term Deposit - Bananacoast Credit Union - Sub Clubs (due within 6 months)	5.93%	8,503	11,463
		329,964	273,432
Financial Liabilities			
Trade and other payables	-	108,740	87,721
Loan - Bananacoast Community Credit Union Ltd (term > 5 years)	8.15%	195,804	200,055
		304,544	87,721

The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

The company's interest rate exposure is limited to the amounts invested at bank and in fixed term deposits and the amount borrowed from Bananacoast Community Credit Union Ltd. The interest rates generally change in line with changes in market rates. It is expected that an interest rate increase of 1% at balance date would have increased profit and equity by \$1,238 (2010: \$600). A decrease in rates of 1% would have decreased profit and equity by \$1,238 (2010: \$409).

Foreign currency risk

The company is not exposed to fluctuations in foreign currencies.

Liquidity risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash balances are maintained.

Iluka Bowls Club Limited

Notes to the Financial Statements for the Year Ended 30 June 2011

..... *continued*

21 Segment Reporting

Iluka Bowls Club Limited operates in one business and geographical segment being in the Registered Club industry in North Eastern New South Wales.

22 Sub Entities Profit/(Loss)

	2011	2010
	\$	\$
Women's Bowls Club	(2,657)	(1,979)
Mens Bowls Section	360	(1,960)
Mens Travelling Bowlers	(683)	1,347
Mixed Nomads	(699)	(481)
Social Darts	1,247	(1,062)
Total	<u>(2,432)</u>	<u>(4,135)</u>

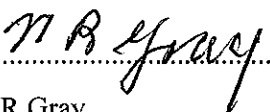
Iluka Bowls Club Limited

Director's Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 24, are in accordance with the Corporations Act 2001 and;
 - a. comply with Accounting Standards and the Corporations Act 2001; and
 - b. give a true and fair view of the financial position as at 30 June 2011 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 on 25 July 2011 and signed on its behalf by:



N R Gray
Director



W D Burnes
Director

**Independent Audit Report to the members of
Iluka Bowls Club Limited**

Report on the financial report

We have audited the accompanying financial report of Iluka Bowls Club Limited, which comprises the statement of financial position as at 30 June 2011, 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 and other explanatory notes 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 in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of 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.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.



**COVER OF
EXCELLENCE**

Liability limited by a scheme approved under Professional Standards Legislation

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S.J. Trustum B.Bus., C.A.
A. Bazzana B.Bus., C.A.

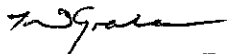
**Independent Audit Report to the members of
Iluka Bowls Club Limited**

Auditor's Opinion

In our opinion, the financial report of Iluka Bowls 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 2011 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Wappett & Partners
Chartered Accountants



Trevor Graham - Partner
Registered Company Auditor

25 July 2011



COVER OF
EXCELLENCE

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