

**GWANDALAN BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 37 001 069 914**

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2011**

**GWANDALAN BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 37 001 069 914**

CONTENTS

Directors' Report	1
Auditor's Independence Declaration	7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
Directors' Declaration	31
Independent Auditor's Report	32
Independent Auditor's Disclaimer	34
Detailed Profit and Loss Statement	35
Departmental Trading, Profit and Loss Statement	36

**GWANDALAN BOWLING CLUB LIMITED
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DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June, 2011.

DIRECTORS

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

Mr Kevin Turner
Mr Allen Stringer (retired 26 September 2010)
Mr Ronald Newcombe
Mr Johannes Spek (retired 26 September 2010)
Mr Ronald Smith (retired 26 September 2010)
Mr Kevin Storey (appointed 26 September 2010)
Mr Maxwell Walker (retired 26 September 2010)
Mr Ken McLennan (appointed 26 September 2010)
Mr Ian Wall (retired 26 September 2010)
Mr Brian Leaney
Mr John Brown
Mr Paul Cosgriff (appointed 26 September 2010)
Mr David Lyons (appointed 26 September 2010)
Mr Gary Staughton (appointed 26 September 2010)

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

OPERATING RESULTS

The profit of the company for the financial year after providing for income tax amounted to \$55,574 (2010: \$136,404 loss), a \$191,978 turnaround since 2010.

OBJECTIVES - SHORT TERM

The operation of bowling & the total facilities of the sports club in Gwandalan for the benefit of the members.

OBJECTIVES - LONG TERM

To continue to improve the facilities for the members and their guests.

To promote bowls as a sport in line with the Club's constitution.

STRATEGIES

The operation and management of 2 bowling greens.

The promotion of sub-clubs (Darts, Pool, Golf, Women's Bowls & Fishing) and the Southlake Motorboat Club.

The building of the new clubhouse to ensure the comfort and efficient operation of all services for their members.

The employment of a part-time bowls coordinator.

The promotion of bowls by supporting men's and women's pennants teams.

KEY PERFORMANCE INDICATORS

Monthly board meetings which involves reviewing the financial reports against the budget and previous periods.

The Chief Executive Officer benchmarks on various performance criteria related to bar wages and margins.

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DIRECTORS' REPORT

Directors' introductory process to ensure governance and knowledge of their responsibilities.
The employment of a highly qualified Chief Executive Officer with extensive experience in the club industry.

PERFORMANCE

Revenue from Poker Machine trading increased by \$204,462.

Bar trading has remained consistent with last year.

Membership increased by 10% during the year.

Successes for the year in bowls were:

Central Coast District Women's Bowls Grade 4 FLAG, Grade 3 for 2010 and Grade 4 for 2011.

Women's Hetherington 2010 Shield Winners

Zone 15, Finals Grade 4 Men's Bowls 2010 & Finals Grade 5 2011

FUTURE DEVELOPMENTS

The Mandatory Pre Commitment legislation that may be passed by the Federal Parliament will have a significant effect on the cash flow of the club. However, no quantification of the effect can be made at this time.

SIGNIFICANT CHANGES IN THE YEAR

No significant changes in the company's state of affairs occurred during the financial year apart from that noted above.

PRINCIPAL ACTIVITIES

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

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

The company has the following membership:

Non Bowling/Social 2,958

Male Bowlers 177

Female Bowlers 74

Life Members 4

Total number of members as at year end is 3,213 (2010 : 2,919).

AFTER BALANCE DATE EVENTS

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.

ENVIRONMENTAL ISSUES

The Directors believe the company has complied with all significant environmental regulations under a law of the Commonwealth or of a state or territory.

DIVIDENDS

The Corporations Law prohibits a Company Limited by Guarantee from paying dividends.

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DIRECTORS' REPORT

SHARES IN COMPANIES

The company does not hold shares in any related company or corporation.

INDEMNIFYING OFFICER OR AUDITOR

During the year, the Company effected a Directors & Officer's liability policy. The insurance policy provides cover for the Directors named in this report, the company secretary, officers and former Directors & Officers of the company.

This policy prohibits the disclosure of the nature of the Indemnification and the insurance cover, and the amount of the premium.

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 auditor of the company.

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DIRECTORS' REPORT

INFORMATION ON DIRECTORS

Mr Kevin Turner

Qualifications: Retired Police Sergeant

Responsibilities: Chairman

	Board	Special
Meetings		
Attendance	10	3
Possible	12	3

Mr Allen Stringer (retired 26 September 2010)

Qualifications: Retired Council Concreter

Responsibilities: Past Director

	Board	Special
Meetings		
Attendance	3	0
Possible	3	0

Mr Ronald Newcombe

Qualifications: Retired Gas Installation Co-ordinator

Responsibilities: Treasurer

	Board	Special
Meetings		
Attendance	12	3
Possible	12	3

Mr Johannes Spek (retired 26 September 2010)

Qualifications: Retired Carpenter

Responsibilities: Past Director

	Board	Special
Meetings		
Attendance	3	0
Possible	3	0

Mr Ronald Smith (retired 26 September 2010)

Qualifications: Retired Public Works Officer

Responsibilities: Past Director

	Board	Special
Meetings		
Attendance	2	0
Possible	3	0

Mr Kevin Storey (appointed 26 September 2010)

Qualifications: Retired Electrician

Responsibilities: Junior Vice Chairman

	Board	Special
Meetings		
Attendance	8	2
Possible	9	3

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DIRECTORS' REPORT

Mr Maxwell Walker (retired 26 September 2010)

Qualifications: Retired Engineer

Responsibilities: Past Senior Vice Chairman

Meetings	Board	Special
Attendance	1	0
Possible	3	0

Mr Ken McLennan (appointed 26 September 2010)

Qualifications: Retired Courier / Subcontractor.

Responsibilities: Director

Meetings	Board	Special
Attendance	8	3
Possible	9	3

Mr Ian Wall (retired 26 September 2010)

Qualifications: Retired Head Clerk

Responsibilities: Past Junior Vice Chairman

Meetings	Board	Special
Attendance	3	0
Possible	3	0

Mr Brian Leaney

Qualifications: Retired Manager - Fitter and Turner

Responsibilities: Director

Meetings	Board	Special
Attendance	12	3
Possible	12	3

Mr John Brown

Qualifications: Small Business Owner - Bakery

Responsibilities: Senior Vice Chairman

Meetings	Board	Special
Attendance	10	3
Possible	12	3

Mr Paul Cosgriff (appointed 26 September 2010)

Qualifications: Senior Consultant - Corporate Risk

Responsibilities: Director

Meetings	Board	Special
Attendance	8	2
Possible	9	3

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DIRECTORS' REPORT

Mr David Lyons (appointed 26 September 2010)

Qualifications: Retired Business Owner

Responsibilities: Director

	Board	Special
Meetings		
Attendance	8	2
Possible	9	3

Mr Gary Staughton (appointed 26 September 2010)

Qualifications: Retired Fitter / Turner

Responsibilities: Director

	Board	Special
Meetings		
Attendance	8	3
Possible	9	3

Auditor's Independence Declaration

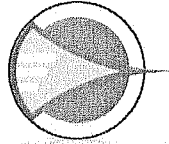
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 7.

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

Director:

Mr Kevin Turner

Dated this 30th day of August 2011



Unit 1
1 Pioneer Avenue
PO Box 3399
Tuggerah NSW 2259

BISHOP COLLINS
CHARTERED ACCOUNTANTS
ABN 13 188 486 905

T: (02) 4353 2333
F: (02) 4351 2477
e: mail@bishopcollins.com.au
w: www.bishopcollins.com.au

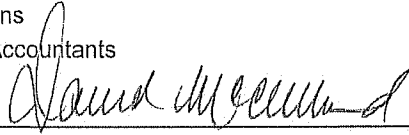
**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
GWANDALAN BOWLING CLUB LIMITED**

I hereby 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 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: Bishop Collins
Chartered Accountants

Name of Partner:


David McClelland

Auditor's Registration
No.

320260

Address:

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated this 30th day of August 2011



GWANDALAN BOWLING CLUB LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Revenue	2	3,439,496	3,166,791
Other income	2	74,435	76,527
	2	3,513,931	3,243,318
Cost of goods sold	3	(639,807)	(641,892)
Amenity club expenses	3	(81,488)	(90,330)
Auditor's remuneration	4	(42,135)	(36,690)
Advertising expenses		(10,556)	(14,619)
Bad and doubtful debt expenses	3	(182)	(348)
Donations and CDSE		(20,175)	(17,252)
Depreciation and amortisation expenses	3	(278,024)	(299,991)
Directors' benefits		(29,171)	(28,059)
Employee benefits expenses		(997,430)	(921,072)
Entertainment and promotions		(465,260)	(468,756)
Freight and cartage		(604)	(935)
Insurance		(61,318)	(100,713)
Loss on sale of fixed assets	3	-	(20,932)
Poker machine duty		(237,679)	(173,890)
Repairs and maintenance and cleaning		(237,726)	(226,830)
Security		(54,313)	(56,155)
Telephone, light and power		(76,178)	(74,831)
Other expenses		(226,311)	(206,427)
Profit (Loss) before income tax	3	55,574	(136,404)
Income tax expense		-	-
Profit (Loss) after income tax		55,574	(136,404)
Profit (loss) attributable to members of the company		55,574	(136,404)
Other comprehensive income		-	-
Total comprehensive income		-	-
Total comprehensive income attributable to members of the entity		55,574	(136,404)

The accompanying notes form part of these financial statements.

GWANDALAN BOWLING CLUB LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	491,668	383,549
Trade and other receivables	6	18,989	13,516
Financial assets	7	868,799	804,603
Inventories	8	37,115	36,208
Other current assets	9	62,121	41,332
TOTAL CURRENT ASSETS		<u>1,478,692</u>	<u>1,279,208</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	4,633,460	4,733,256
Intangible assets	11	1,056	1,760
TOTAL NON-CURRENT ASSETS		<u>4,634,516</u>	<u>4,735,016</u>
TOTAL ASSETS		<u>6,113,208</u>	<u>6,014,224</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	183,972	156,980
Provisions	13	142,679	133,769
TOTAL CURRENT LIABILITIES		<u>326,651</u>	<u>290,749</u>
NON-CURRENT LIABILITIES			
Provisions	13	25,774	18,266
TOTAL NON-CURRENT LIABILITIES		<u>25,774</u>	<u>18,266</u>
TOTAL LIABILITIES		<u>352,425</u>	<u>309,015</u>
NET ASSETS		<u>5,760,783</u>	<u>5,705,209</u>
EQUITY			
Retained earnings	14	5,760,783	5,705,209
TOTAL EQUITY		<u>5,760,783</u>	<u>5,705,209</u>

The accompanying notes form part of these financial statements.

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011**

	Retained earnings	Total
Note	\$	\$
Balance at 1 July 2009	5,841,613	5,841,613
Profit attributable to members	(136,404)	(136,404)
Balance at 30 June 2010	5,705,209	5,705,209
Profit attributable to members	55,574	55,574
Balance at 30 June 2011	14 5,760,783	5,760,783

The accompanying notes form part of these financial statements.

**GWANDALAN BOWLING CLUB LIMITED
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	3,869,422	3,483,079
Payments to suppliers and employees	(3,400,649)	(3,017,784)
Interest received	52,262	55,532
GST paid during the year	(187,694)	116,826
Net cash provided by operating activities	20 <u>333,341</u>	<u>637,653</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	16,500	6,803
Proceeds from sale of investments	-	223,690
Payments for property, plant and equipment	(177,526)	(3,016,399)
Payments for investments	(64,196)	-
Payments for intangibles	-	(1,760)
Net cash used in investing activities	<u>(225,222)</u>	<u>(2,787,666)</u>
Net increase (decrease) in cash held	108,119	(2,150,013)
Cash at beginning of financial year	<u>383,549</u>	<u>2,533,562</u>
Cash at end of financial year	5 <u><u>491,668</u></u>	<u><u>383,549</u></u>

The accompanying notes form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

1 Statement of Significant Accounting Policies

The financial statements are for Gwandalan Bowling Club Limited as an individual entity. Gwandalan Bowling Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Basis of Preparation

Gwandalan Bowling Club Limited has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 July 2010.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report also complies with International Financial Reporting 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. Material accounting policies adopted in the preparation of this financial statements are presented below and have been consistently applied unless otherwise stated.

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

Accounting Policies

Going Concern

The financial report has been prepared on the going concern basis.

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

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 cost less subsequent depreciation or amortisation for buildings.

Leasehold Improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvements, whichever is the shorter.

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 the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life.

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

Class of Fixed Asset	Depreciation Rate
Buildings and Car Park	2.5 - 20 %
Greens and Wharf	2.5 - 6.67%
Plant and Equipment	0 - 82.77 %

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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 included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

(i) **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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.

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A.B.N. 37 001 069 914**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Financial Assets

Financial assets are initially recognised on the cost basis, including acquisition charges associated with the financial asset. The carrying amounts of financial assets are reviewed annually by the directors. The recoverable amounts are assessed from the quoted market value for shares in listed companies or the underlying net assets for other non listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts, unless otherwise stated.

Intangibles

Other intangibles

The Ebet membership system is recorded at cost and has been recorded as an intangible asset in the statement of financial position. The Ebet membership system has been measured to have a useful life of 10 years.

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.

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. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Superannuation

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred. The entity has no legal obligation to provide benefits to employees on retirement.

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A.B.N. 37 001 069 914**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

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, and other short-term highly liquid investments with original maturities of less than three months.

Revenue and Other Income

Bar revenue is recognised upon the delivery of the product to the customer.

Commissions are recognised on an accruals basis.

Gaming revenue is recognised net of payouts.

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

Membership revenue is recognised on a cash basis when received.

All other revenue is recognised on a cash basis.

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

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Goods and Services Tax (GST)

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

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

Income Tax

The board of directors is of the opinion that the Company's exemption from income tax under section 50-45 of the Income Tax Assessment Act 1997 is still valid and the Company has no liability for income tax.

Comparative Figures

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

Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Key estimates - Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to 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 incorporated a number of key estimates.

No impairment has been recognised in respect of the tangible and intangible assets held by the company.

Key estimates - Income Tax Exemption

The board of directors is of the opinion that the Company's exemption from income tax under section 50-45 of the Income Tax Assessment Act 1997 is still valid and the company has no liability for income tax.

Key estimates - Personal Leave Provision

A probability factor has been applied to calculate the amount of personal leave expected to be payable.

Key estimates - Key estimates - Mandatory Pre Commitment - Poker Machines

The Club is aware that the Mandatory Pre Commitment legislation will potentially have a significant impact on its revenue and costs. At the date of this report no legislation has been passed and this report has been prepared on that basis.

The financial report was authorised for issue on 30 August 2011 by the board of directors.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
2 Revenue		
Operating activities		
Poker machine takings	1,664,043	1,459,581
Bar revenue	1,359,341	1,342,886
Greens revenue	87,783	78,798
Tab and Keno	80,702	64,032
Entertainment	88,311	83,039
Amenity clubs revenue	78,982	87,303
Other revenue	80,334	51,152
Total revenue	3,439,496	3,166,791
Non-operating activities		
Interest received - financial institutions	57,935	64,163
Profit on Sale of Non-Current Assets	16,500	12,364
Other income	74,435	76,527
Total Revenue	3,513,931	3,243,318
3 Profit		
Expenses		
Cost of sales	639,807	641,892
Interest Paid - Govt		
Interest Paid	174	-
Total finance costs	174	-
Amenity club expenses	81,488	90,330
Depreciation and amortisation of property, plant and equipment	278,024	299,991
Bad debts written off		
Bad debts expense	182	348
Total bad and doubtful debts	182	348

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
Revenues and Net Gains		
Profit on Sale of Non-Current Assets	16,500	12,364
Loss on Sale of Fixed Assets	-	(20,932)
	16,500	(8,568)
4 Auditor's Remuneration		
Auditors remuneration		
Audit Services - Prior Year	12,150	12,550
Audit Services - Current Year	8,140	9,200
Accounting Services - Financial Report	5,600	5,500
Other Services	-	1,500
Taxation Services	1,400	600
Management Accounting	6,905	7,340
MYOB, Strategic Planning & Directors Training	7,940	-
	42,135	36,690
5 Cash and Cash Equivalents		
Current		
Cash on Hand	138,294	134,528
Cash at Bank	352,075	247,722
Term Deposit	1,299	1,299
	491,668	383,549
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 balance sheet as follows:		
Cash and Cash Equivalents	491,668	383,549
	491,668	383,549
6 Trade and Other Receivables		
Current		
Other debtors	18,989	13,516
	18,989	13,516

GWANDALAN BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 37 001 069 914

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
7 Financial Assets		
Current		
Term Deposits	<u>868,799</u>	<u>804,603</u>
8 Inventories		
Current		
Main Bar	32,642	31,919
Men's Bowling Club	3,573	3,389
Greens Inventory	<u>900</u>	<u>900</u>
	<u>37,115</u>	<u>36,208</u>
9 Other Current Assets		
Current		
Deposits	5,000	5,000
Prepayments	<u>57,121</u>	<u>36,332</u>
	<u>62,121</u>	<u>41,332</u>

**GWANDALAN BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 37 001 069 914**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
10 Property, Plant and Equipment		
Land and Buildings		
Freehold Land - at cost	317,630	317,630
Buildings - at cost	643,928	643,928
Less accumulated amortisation	<u>(296,299)</u>	<u>(280,201)</u>
	665,259	681,357
Leasehold Building Improvements - at cost	3,773,705	3,773,705
Less accumulated depreciation	<u>(616,614)</u>	<u>(522,271)</u>
	3,157,091	3,251,434
Total Land and Buildings	<u>3,822,350</u>	<u>3,932,791</u>
Plant & Equipment - at cost	1,918,206	1,787,227
Less accumulated depreciation	<u>(1,268,923)</u>	<u>(1,161,839)</u>
	649,283	625,388
Car Park - at cost	75,536	75,536
Less: accumulated depreciation	<u>(75,536)</u>	<u>(75,536)</u>
	-	-
Greens & Wharf - at cost	247,209	246,373
Less: accumulated depreciation	<u>(90,485)</u>	<u>(84,259)</u>
	156,724	162,114
Motor Vehicles - at cost	39,299	39,299
Less: accumulated depreciation	<u>(34,196)</u>	<u>(26,336)</u>
	5,103	12,963
Total Plant and Equipment	<u>811,110</u>	<u>800,465</u>
Total Property, Plant and Equipment	<u><u>4,633,460</u></u>	<u><u>4,733,256</u></u>

GWANDALAN BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 37 001 069 914

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010	
	\$	\$	
Movements in Carrying Amounts			
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.			
	Land & Buildings	Greens & Wharf	Plant and Equipment
	\$	\$	\$
Balance at 1 July 2009	1,296,515	172,516	502,366
Additions	2,741,511	-	322,888
Disposals	(7,656)	-	(15,717)
Depreciation/amortisation expense	(97,580)	(10,402)	(184,149)
Balance at 30 June, 2010	<u>3,932,791</u>	<u>162,114</u>	<u>625,388</u>
Additions	-	836	176,690
Depreciation/amortisation expense	(110,441)	(6,226)	(152,795)
Carrying amount at 30 June 2011	<u><u>3,822,350</u></u>	<u><u>156,724</u></u>	<u><u>649,283</u></u>

11 Intangible Assets

Software - at cost	6,890	6,890
Less accumulated amortisation	<u>(5,834)</u>	<u>(5,130)</u>
Net carrying value	<u>1,056</u>	<u>1,760</u>

Movements in Carrying Amounts

Movement in the carrying amounts for each class of intangibles between the beginning and the end of the current financial year.

	Software	Total
	\$	\$
Balance at 01 July, 2009	-	-
Additions	<u>1,760</u>	<u>1,760</u>
Balance at 30 June, 2010	<u>1,760</u>	<u>1,760</u>
Additions	-	-
Amortisation expense	<u>(704)</u>	<u>(704)</u>
Carrying amount at 30 June, 2011	<u><u>1,056</u></u>	<u><u>1,056</u></u>

GWANDALAN BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 37 001 069 914

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
12 Trade and Other Payables		
Current		
Trade creditors	<u>183,972</u>	<u>156,980</u>
13 Provisions		
Provision for holiday pay	71,587	83,469
Provision for long service leave - current	51,731	33,350
Provision for sick leave	19,361	16,950
Provision for long service leave - non current	<u>25,774</u>	<u>18,266</u>
	<u>168,453</u>	<u>152,035</u>
Total provisions	<u>168,453</u>	<u>152,035</u>
Analysis of Total Provisions		
Current	142,679	133,769
Non-current	<u>25,774</u>	<u>18,266</u>
	<u>168,453</u>	<u>152,035</u>
Reconciliation of Provisions for Employee Entitlements		
Opening balance as at beginning of financial year	152,036	154,270
Additional charge	104,234	90,863
Less leave paid	<u>(87,817)</u>	<u>(93,098)</u>
Closing balance at end of the financial year	<u>168,453</u>	<u>152,036</u>
14 Retained Earnings		
Retained earnings at the beginning of the financial year	5,705,209	5,841,613
Net profit (Net loss) attributable to members of the company	<u>55,574</u>	<u>(136,404)</u>
Retained earnings at the end of the financial year	<u>5,760,783</u>	<u>5,705,209</u>

**GWANDALAN BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 37 001 069 914**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$	2010 \$
15 Capital and Leasing Commitments		
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable - minimum lease payments		
Not later than 12 months	28,314	28,314
Between 12 months and five years	113,255	113,255
Greater than five years	990,980	990,980
	1,132,548	1,132,548
The property lease is a non-cancellable, 40 year lease. Rent is payable a year in advance, payable June each year. There is no set rental agreement amount in place presently and thus future amounts payable are difficult to determine. The above commitment has been calculated using the rent payable for the year ended 17 June 2011. No adjustment has been made for CPI increases.		
Capital Expenditure Commitments		
Capital expenditure commitments contracted for:		
Capital expenditure projects	57,206	57,206
Replacement of restaurant roof	21,690	-
Plant and equipment purchases	-	1,749
	78,896	58,955
Payable:		
Not later than 12 months	78,896	58,955

GWANDALAN BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
16 Contingent Liabilities		
Estimates of the potential financial effect of contingent liabilities that may become payable: NIL		
Registered Mortgages		
The Commonwealth Bank of Australia holds a registered mortgage over the following items:		
- the property, Lots 1a, 1b, 1c Gamban Road Gwandalan		
- the property Lot 42 Gamban Road Gwandalan		
- the assets of Gwandalan Bowling Club Limited.		
17 Core and Non-Core Property		
In accordance with provisions under section 41J(2) of the Registered Clubs Act the Directors have classified the following assets as core property of the Company;		
- The Land at Lot 1 a, b and c Gamban Road		
- The Club House		
- The Car Park		
- The Wharf		
A part of the Club House is situated on land leased by the Wyong Shire Council.		
The following non-core property has been identified by the company;		
- The Land at Lot 42 Gamban Road		
- The Land at Lots 2 - 8 Aldinga Road		
18 Key Management Personnel		
Total compensation	<u>236,882</u>	<u>205,436</u>
Key Management Personnel are considered to be the Board of Governors, the CEO and the Senior Greenkeeper		

**GWANDALAN BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 37 001 069 914**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
<hr/>		
19 Related Party Transactions		
<p>Transactions between related parties are on normal commercial terms and conditions. These terms and conditions are no more favourable than those available to other parties unless otherwise stated.</p> <p>Transactions with related parties:</p>		
<p>Out of Pocket Expenses</p>		
Gary Staughton	1,125	-
Ray Lawrence	4,020	2,875
Ronald Smith	375	1,475
John Brown	1,862	1,125
Brian Leaney	1,250	1,125
Kenneth McLennan	1,875	350
Ronald Newcombe	3,500	3,500
Allen Stringer	375	1,595
Kevin Storey	1,350	375
Kevin Turner	4,100	4,700
Johannes Spek	375	1,500
Don Beggs	-	2,250
David Lyons	1,131	-
Ian Wall	2,470	1,530
Paul Cosgriff	1,125	-

**GWANDALAN BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 37 001 069 914**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
Penny Carosi	-	375
Maxwell Walker	375	1,975
Steve Comber	-	150
The Directors shared equally in the following benefit		
Meeting refreshments and Christmas party	3,863	2,884

Evelyn Turner (until 20/7/10), Ben Geddes (until 4/1/11) and Christopher Magee, relatives of Kevin Turner, Chairman, were/are employed by the company and have been paid in accordance with the applicable Union Collective Agreement in the normal course of business.

Colin Woods is a director of Harvey World Travel Lisarow. The club has made purchases from Harvey World Travel during the year ended 30 June 2011 totalling to \$698. These payments have been made on regular commercial terms and conditions. No amounts remain outstanding as at 30 June 2011.

20 Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit after Income Tax

Profit (Loss) after income tax	55,574	(136,404)
Non-cash flows in profit		
Profit on sale of non-current assets	(16,500)	(14,803)
Loss on sale of non-current assets	-	23,372
Depreciation and amortisation	278,026	299,991

**GWANDALAN BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 37 001 069 914**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$	2010 \$
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
(Increase) Decrease in current inventories	(907)	3,089
(Increase) Decrease in current receivables	(5,473)	(7,860)
(Increase) Decrease in prepayments	(20,789)	448,117
Increase (Decrease) in trade creditors	27,335	(2,663)
Increase (Decrease) in current provisions	16,418	(2,235)
Increase (Decrease) in GST Paid	(343)	27,049
	333,341	637,653

21 Capital

The company is limited by guarantee and as such there is no issued capital. The liability of each member is limited to \$2 in accordance with the company's constitution. the number of members at the end of the financial year are

	6,426	5,838
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22 Financial Risk Management

The company's financial instruments consists 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:

	Note	2011 \$	2010 \$
Financial Assets			
Cash and cash equivalents	5	491,668	383,549
Investments	7	868,799	804,603
Loans and receivables	6	18,989	13,516
Total Financial Assets		1,379,456	1,201,668
Financial Liabilities			
Trade and other payables	12	(183,972)	(156,980)

**GWANDALAN BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 37 001 069 914**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

2011
\$

2010
\$

23 Company Details

Gwandalan Bowling Club Limited

The registered office and principal place of business is:

68 Gamban Road,
Gwandalan NSW 2259

**GWANDALAN BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 37 001 069 914**

DIRECTORS' DECLARATION

The directors of the company declare that:

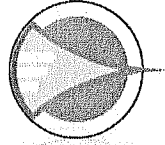
1. The financial statements and notes, as set out on pages 1 to 30, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June, 2011 and of the performance for the year ended on that date 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.

Director: _____

Mr Kevin Turner

Dated this 30th day of August 2011



Unit 1
1 Pioneer Avenue
PO Box 3399
Tuggerah NSW 2259

BISHOP COLLINS
CHARTERED ACCOUNTANTS
ABN 13 188 486 905

T: (02) 4353 2333
F: (02) 4351 2477
e: mail@bishopcollins.com.au
w: www.bishopcollins.com.au

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GWANDALAN BOWLING CLUB LIMITED
A.B.N. 37 001 069 914**

Report on the Financial Report

I have audited the accompanying financial report of Gwandalan Bowling 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 the 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 Australian Accounting Standards - Reduced Disclosure (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing 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

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 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 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 Gwandalan Bowling Club Limited on 30th August 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

Page 32

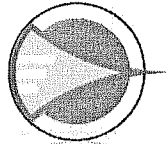


CHARTERED ACCOUNTANTS

LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION

Partners: David A McClelland FCA

Ian M Rodrigues FCA



Unit 1
1 Pioneer Avenue
PO Box 3399
Tuggerah NSW 2259

BISHOP COLLINS
CHARTERED ACCOUNTANTS
ABN 13 188 486 905

T: (02) 4353 2333
F: (02) 4351 2477
e: mail@bishopcollins.com.au
w: www.bishopcollins.com.au

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GWANDALAN BOWLING CLUB LIMITED
A.B.N. 37 001 069 914**

Auditor's Opinion

In my opinion:

- (a) the financial report of Gwandalan 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, 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Emphasis of Matter

We draw attention to Note 1 of the financial statements, Key Estimates - Mandatory Pre Commitment - Poker Machines, which describes the potential significant impact on revenue and costs which cannot be quantified at this time. Our opinion is not qualified in respect of this matter.

Name of Firm: Bishop Collins
Chartered Accountants

Name of Principal:


David McClelland

Address: Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated this 30th day of August 2011

