

BEECROFT BOWLING & RECREATION CLUB LTD
(A Company Limited by Guarantee)
ABN 29 000 144 847

Trading as

THE BEECROFT CLUB



ANNUAL REPORT 2016-2017

BEECROFT BOWLING & RECREATION CLUB LTD
(A Company Limited by Guarantee)
ABN 29 000 144 847

CHAIRMAN's REPORT

I have pleasure in presenting the 103rd Annual Report covering the activities of the Beecroft Bowling & Recreation Club Ltd for the financial year 1 July 2016 to 30 June 2017.

The Club's business operations during the past twelve months have been satisfactory. This is a direct result of good participation by our members in all phases of the Club's activities (bowling, social, voluntary), as well as the continued hiring of the Club's rooms by various community groups and of course the good and strong work ethic of our permanent greenkeeper and casual bar staff.

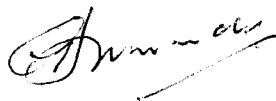
The Board's investment strategy of retaining growth investments in addition to term deposits has once again produced reasonable results despite the volatility of stock markets around the world.

However, recently questions have been asked in regard to the Club's future and special member's meetings were held to discuss this matter. These meetings were chaired by Geoff Ashton and good discussion followed. The Board eventually decided to form a committee to investigate the many ideas presented, and members were assured that we still have many years of bowling in front of us.

The Club now has a new Women's President, Lindy Saville and Men's President, Craig Davis and I am confident they will be instrumental in maintaining good bowling activities which are such a vital part of the Club's operations.

Thanks to Dad's army once again for keeping our grounds in good order and for providing assistance with maintenance tasks.

Finally I wish to thank my fellow members of the Board for their dedicated work and to all members of the Club for their continued support.



G Simmonds
Chairman

20/9/17

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BOARD OF DIRECTORS

Chairman	GV Simmonds	Directors	L Brown
Deputy Chairman	G Ashton		L Thornewell
Treasurer	KJ Harrison		L Saville
			C Galvin

Appointed by the Board

Licensee	L Thornewell	Secretary	S Bruce
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COMMITTEES OF THE BOARD

Coaching	W Saville (Chair), R Dooley, K McLennan, A Ryan, I Smart, P Watt,
Greens	G Ashton, A Burling
House (Bar/Functions)	G Simmonds
Sponsorship	C Galvin
Property	G Ashton
Social	L Saville
Finance	L Brown
Website	N Davis

VOLUNTARY WORKERS

Cash, banking and Poker machine records	B Boyd, K Harrison, P Hunter, J King, P Short, R Young, B McLeod C Cawley, T Hodge, T Nichol, R Ratcliff, G Simmonds
Maintenance Team	R Dooley, J King, B Murphie, P Seale, R Catherall, L Hines

BEECROFT MEN's BOWLING CLUB

President	C Davis	Bowls Secretary	S Bruce	Treasurer	K Harrison
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BEECROFT WOMEN's BOWLING CLUB

President	L Saville	Bowls Secretary	L Thornewell	Treasurer	B Robertson
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BEECROFT BOWLING & RECREATION CLUB LTD
(A Company Limited by Guarantee)
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DIRECTORS' REPORT

The Directors present their report on BEECROFT BOWLING & RECREATION CLUB LIMITED ("the Club") for the financial year ended 30 June 2017.

DIRECTORS

The names of Directors in office at any time during the year, their responsibilities and their attendances at the regular Directors' meetings during the year are:

G V Simmonds	Chairman – Retired - House		11/12
G Ashton	Deputy Chairman – Retired - Property		8/12
K J Harrison	Treasurer – Retired - Accounts & Finance		12/12
L M Thornewell	Director – Retired - House		11/12
L Brown	Director – Consultant - Finance		10/12
L Saville	Director – Retired - Social		10/12
P Watt	Director	Resigned November 2016	4/4
C Galvin	Director – Retired – Sponsorship	Appointed November 2016	8/8

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

PRINCIPAL OBJECTIVES

The Board has a long term objective of providing a financially viable Club with a well maintained clubhouse and surrounds, including two greens for the purpose of playing lawn bowls and facilities for recreational activities, for the benefit of members, guests and community hirers.

In the shorter term, objectives are to:

- Increase the percentage of those members who play bowls on a regular basis
- Improve the Club's operating result before depreciation and investment gain/loss
- Ongoing development of facilities as a significant community asset

PRINCIPAL ACTIVITIES

In support of these objectives the main focus of the Club's activities has been to:

- Provide regular organised social and competitive lawn bowls games
- Communicate with non-regular bowling members to encourage regular playing
- Make the Club's facilities available for member or community hire
- Seek local organisations who wish to advertise their services or sponsor specific bowls events

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PERFORMANCE INDICATORS

The Board has a number of performance indicators to monitor the contributions its activities are making towards the achievement of objectives:

<i>Principal indicator</i>	<i>Target</i>	<i>Achieved</i>
Percentage of bowlers playing regularly	90 %	83%
Net profit before depreciation & investment gain/loss	>\$0	\$0.79k

INCORPORATION OF BOWLING SECTION ACCOUNTS

The Directors have decided that the accounts of the Mens and Womens Bowling sections will no longer be consolidated with the Club's accounts. Appropriate adjustments to the 2015-2016 figures have been made to enable comparison with the 2016-2017 Financial Staements.

MEMBERSHIP

The number of members in each class of membership at 31 July was:

Life members	9
Bowling members	104
Social members	73
Casual Sporting members	6

The Club is a company limited by guarantee. If the Club is wound up, under the Constitution each member of each class undertakes to contribute such amount not exceeding twenty dollars (\$20) as may be required for payment of outstanding debts and liabilities of the Club and any costs and charges of the winding up.

Signed in accordance with a resolution of the Board of Directors



G V Simmonds Director

20/9/17



G Ashton Director

BEECROFT BOWLING RECREATION CLUB LTD
 ABN 29 000 144 847
 (A Company Limited by Guarantee)
 BALANCE SHEET
 as at 30 June 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash & Cash Equivalents	3	68,718	76,155
Investments	4	734,536	684,797
Receivables	5	29,979	55,671
Inventories	6	8,323	9,539
		<u>841,556</u>	<u>826,162</u>
NON-CURRENT ASSETS			
Property, Plant & Equipment	7	2,173,852	2,189,126
TOTAL ASSETS		<u>3,015,408</u>	<u>3,015,288</u>
CURRENT LIABILITIES			
Payables	8	25,952	16,884
Provisions	9	-	-
TOTAL LIABILITIES		<u>25,952</u>	<u>16,884</u>
NET ASSETS		2,989,456	2,998,404
MEMBERS EQUITY			
Reserves	10	3,005,121	3,005,121
Retained Profit/(Accumulated losses)		(15,665)	(6,717)
TOTAL MEMBERS EQUITY		<u>2,989,456</u>	<u>2,998,404</u>

The accompanying notes form part of these financial statements

BEECROFT BOWLING RECREATION CLUB LTD
 ABN 29 000 144 847
 (A Company Limited by Guarantee)

PROFIT AND LOSS STATEMENT
 For the year ended 30 June 2017

	Note	2017 \$	2016 \$
NET INCOME FROM OPERATIONS			
Bar Trading	11	(8,152)	(2,226)
Poker Machines	12	1,549	6,328
Bowling Activities	13	(13,549)	(2,938)
Club Functions	14	770	2,191
Private Functions/Meetings	15	36,245	26,669
Club Subs/Sponsors/Donations	16	13,066	18,884
less			
Overhead Expenses	17	(97,261)	(105,690)
NET OPERATIONS		<u>(67,332)</u>	<u>(56,782)</u>
INVESTMENT INCOME	18	58,384	13,644
CLUB PROFIT/(LOSS)		(8,948)	(43,138)
Income Tax Expense		-	-
CLUB PROFIT/(LOSS) after Tax		<u>(8,948)</u>	<u>(43,138)</u>
Retained Profit/(Loss) at beginning of year		(6,717)	36,421
Retained Profit at end of year		<u>(15,665)</u>	<u>(6,717)</u>
Total Operating Revenue		236,744	239,677

The accompanying notes form part of these financial statements

BEECROFT BOWLING RECREATION CLUB LTD
ABN 29 000 144 847
(A Company Limited by Guarantee)

STATEMENT of EQUITY CHANGES
For the year ended 30 June 2017

	2017	2016
	\$	\$
Opening Balances 1 July 2016		
Retained Profit/(Loss)	(6,717)	36,421
Reserves	3,005,121	3,005,121
	2,998,404	3,041,542
Movement for the year		
Profit/(Loss) for the year	(8,948)	(43,138)
Closing Balances 30 June 2017		
Retained Profit/(Loss)	(15,665)	(6,717)
Reserves	3,005,121	3,005,121
	<u>2,989,456</u>	<u>2,998,404</u>

The accompanying notes form part of these financial statements

BEECROFT BOWLING RECREATION CLUB LTD
 ABN 29 000 144 847
 (A Company Limited by Guarantee)
 STATEMENT of CASH FLOWS
 For the year ended 30 June 2017

	2017	2016
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Members & Guests	236,744	239,677
Interest/Distributions received	40,647	59,606
Payments to Suppliers & Employees	(240,628)	(295,441)
Net Cash from Operating Activities	36,763	3,842
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from Redeemed Investments	62,050	-
Payment for Plant & Equipment (net)	(6,250)	(31,662)
Decrease/(Increase) in Investments	(100,000)	(575)
Net Cash from Investing Activities	(44,200)	(32,237)
NET INCREASE/(DECREASE) IN CASH HELD	(7,437)	(28,395)
Cash at beginning of Financial Year	76,155	104,550
CASH AT END OF FINANCIAL YEAR	68,718	76,155

The accompanying notes form part of these financial statements

BEECROFT BOWLING & RECREATION CLUB LTD
(A Company Limited by Guarantee)
ABN 29 000 144 847

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

The financial statements cover Beecroft Bowling & Recreation Club Ltd as an individual entity, incorporated and domiciled in Australia. Beecroft Bowling & Recreation Club Ltd is a Company limited by guarantee.

The financial statements were authorised for issue on 20 September 2017 by the Directors of the Company.

Note 1: Summary of Significant Accounting Policies

The Directors have prepared the financial statements on the basis that the Company is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore Special Purpose Financial Statements that have been prepared in order to meet the requirements of the Corporations Act 2001. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the Directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a) Revenue

Non-reciprocal grant revenue is recognised in the profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Donations are recognised as revenue when received.

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

BEECROFT BOWLING & RECREATION CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

b) Inventories on Hand

Inventories are measured at the lower of cost and current replacement cost.

c) Property, Plant and Equipment

Buildings, Plant and Equipment

Buildings, plant and equipment are measured on the cost basis less depreciation and any impairment losses.

Freehold Property

Freehold land is shown at its fair value based on an independent valuation in September 2013.

d) Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation Rate
Buildings	2.5 %
Plant and Equipment	6.67% – 20 %

i) 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.

Financial instruments are initially measured at fair value plus transaction costs.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value.

Fair value is determined based on current bid prices for all quoted investments.

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

e) Employee Benefits

Short-term employee benefits

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

f) Cash on Hand

Cash on hand includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less.

g) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from donors and any outstanding grants receipts. 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

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 (ATO).

Receivables and payables are stated exclusive 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 net basis.

i) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

j) Provisions

Provisions are recognised when the entity 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.

k) Comparative Figures

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

BEECROFT BOWLING & RECREATION CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

l) Accounts Payable 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 amount being normally paid within 30 days of recognition of the liability.

m) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards.

The Directors' assessment of the impact of the new standards and interpretations is that they will not affect any of the amounts recognised in the financial statements.

Note 2: Statutory & Related Party Disclosures

a) Members Guarantee

The Club is a Company Limited by Guarantee. If the Club is wound up the Constitution states that each member is required to contribute up to a maximum of \$20 each towards meeting any outstanding obligations of the Club.

b) Directors' Remuneration

No Director has received a salary or any other benefit in his/her capacity as a Director or is due to receive nor has any entitlement to receive any amount on retirement or any superannuation benefit.

c) Names of Directors

The Directors who have held office during the financial year are :-

G Simmonds	G Ashton	K Harrison	P Watt
L Brown	L Saville	L Thornewell	C Galvin

d) Employee related to Directors/Top Executive

During the financial year, the Club did not employ any person who is a close relative (as defined by Section 41B of the Act) of a Director or top executive of the Club.

e) Property

Core property is that which the Directors cannot dispose of without meeting specific conditions including voting members' approval.

The Club's buildings and freehold land are **core property**.
All other property is **non-core property**.

BEECROFT BOWLING & RECREATION CLUB LIMITED
 ABN 29 000 144 847
 (A Company Limited by Guarantee)
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 30 June 2017

3. CASH & CASH EQUIVALENTS	2017	2016
	\$	\$
Cash at Bank	40,087	3,847
Cash on Hand	4,500	4,500
WBC Business Cash Reserve	24,131	66,730
Undeposited Funds	-	1,078
	\$68,718	\$76,155

4. INVESTMENTS

Westpac Term Deposits	290,000	190,000
APN Property for Income	73,621	80,195
UBS Property Securities	-	65,298
Maple-Brown Imputation	111,167	104,366
Perennial Value Australian Shares	95,711	94,580
Perpetual Industrial	104,057	96,250
Platinum International	59,980	54,108
	\$734,536	\$684,797

5. RECEIVABLES

Accrued Interest	4,795	2,210
Distributions Receivable	25,184	21,820
Bowling Donations	-	31,641
	\$29,979	\$55,671

6. INVENTORIES

Bar Stock on Hand	8,323	9,539
	\$8,323	\$9,539

BEECROFT BOWLING & RECREATION CLUB LIMITED
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 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 30 June 2017

7. PROPERTY, PLANT & EQUIPMENT	2017	2016
	\$	\$
Core Property		
Freehold Property	1,850,000	1,850,000
Buildings	332,095	332,095
less Accumulated Depreciation	(113,977)	(104,278)
Non-core Property		
Plant & Equipment	308,714	308,464
less Accumulated Depreciation	(202,980)	(197,155)
	\$2,173,852	\$2,189,126

The Directors have agreed that it is reasonable to show Freehold Property at the value given in the latest Independent Valuation dated September 2013.

8. PAYABLES - CURRENT

Trade Creditors	4,090	4,100
GST/PAYG Liabilities	3,273	(1,364)
Members Fees in Advance	13,839	14,148
NSW Govt. Grant in Advance	4,750	-
	\$25,952	\$16,884

9. PROVISIONS - CURRENT

-	-
\$0	\$0

10. RESERVES

Asset Revaluation Reserve	1,938,513	1,938,513
Capital Profits Reserve	1,066,608	1,066,608
	\$3,005,121	\$3,005,121

BEECROFT BOWLING & RECREATION CLUB LIMITED
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 (A Company Limited by Guarantee)
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 30 June 2017

OPERATIONS	2017	2016
11. Bar Trading - excl Private functions	\$	\$
Bar Sales	87,755	83,398
	\$87,755	\$83,398
less		
Bar Purchases/Supplies	45,675	41,665
Repairs & Maintenance	5,180	4,255
Depreciation	3,067	3,208
Wages & Salaries	37,017	32,829
Superannuation	4,125	3,667
Workers Compensation	843	696
	\$95,907	\$86,320
 Bar Profit/Loss	 (\$8,152)	 (\$2,922)
 12. POKER MACHINES		
Poker Machines net receipts	3,942	7,008
NSW Govt. Assistance	479	655
	\$4,421	\$7,663
less		
Repairs & Maintenance	2,330	980
Depreciation	542	355
	\$2,872	\$1,335
 Poker Machines Profit/Loss	 \$1,549	 \$6,328
 13. BOWLING ACTIVITIES		
Bowling Subscriptions	15,845	16,369
Donations	1,492	10,165
Green Fees	55,671	56,479
	\$73,008	\$83,013
less		
Kitchen Supplies	5,255	4,802
Greens Maintenance	69,960	69,960
Bowls Registration etc Fees	7,538	8,155
Repairs & Maintenance	661	-
Depreciation	3,143	3,034
	\$86,557	\$85,951
 Bowling Profit/Loss	 (\$13,549)	 (\$2,938)

BEECROFT BOWLING & RECREATION CLUB LIMITED
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 (A Company Limited by Guarantee)
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 30 June 2017

	2017	2016
14. CLUB FUNCTIONS	\$	\$
Social Function Receipts	\$4,209	\$6,431
less		
Function Expenses	3,115	3,878
Repairs & Maintenance	-	-
Depreciation	324	362
	\$3,439	\$4,240
Club Function Profit/Loss	\$770	\$2,191
15. PRIVATE FUNCTIONS		
Bar Sales	18,545	13,590
Hall Administration	35,740	26,698
	\$54,285	\$40,288
less		
Bar Purchases	9,272	6,795
Depreciation	995	1,108
Wages & Salaries	7,773	5,716
	\$18,040	\$13,619
Private Function Profit/Loss	\$36,245	\$26,669
16. CLUB SPONSORS/SUBS/DONATIONS		
Social/Casual Sporting Subscriptions	1,431	1,656
Sponsors	8,777	6,335
Donations	2,858	1,835
NSW Government Grant	-	9,058
Total Income	\$13,066	\$18,884

BEECROFT BOWLING & RECREATION CLUB LIMITED
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 (A Company Limited by Guarantee)
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 30 June 2017

	2017	2016
17. OVERHEAD EXPENSES	\$	\$
Accounting Fees	3,970	3,750
Advertising/Promotion	320	-
Bank Charges	900	812
Cleaning	14,969	13,982
Computer Expenses	1,804	360
Donations from Club	3,550	175
Electricity/Gas	13,650	12,466
Insurance	15,987	15,793
License etc Fees	2,277	1,995
Printing, Stationery & Postage	643	1,975
Rates & Taxes	11,677	13,312
Repairs & Maintenance	10,649	21,683
Security	1,024	1,124
Sundry	941	2,454
Telephone	1,447	1,445
Depreciation	13,453	13,627
Total Overheads	\$97,261	\$104,953

INVESTMENTS

18. INVESTMENT INCOME

Interest	6,757	6,393
Distributions	39,839	37,716
Realised Gain/Loss	(3,248)	-
Unrealised Gain/Loss	15,036	(30,465)
Total Income	\$58,384	\$13,644

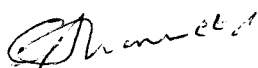
BEECROFT BOWLING & RECREATION CLUB LTD
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DIRECTORS DECLARATION

The Directors of the Company declare that:

1. The Financial Statements and Notes are in accordance with the Corporations Act 2001 and
 - a) comply with Accounting Standards and the Corporation Regulations
 - b) give 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
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.



G V Simmonds

20/9/17

Director



G Ashton

Director

BEECROFT BOWLING & RECREATION CLUB LTD
(A company limited by guarantee)
ABN 29 000 144 847

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BEECROFT BOWLING & RECREATION CLUB LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been no contraventions of:

- a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Signed at Wahroonga this 25 day of September 2017.

MTJ AUDIT PTY LTD



.....
PETER VILIMAA
Partner

BEECROFT BOWLING & RECREATION CLUB LTD
(A company limited by guarantee)
ABN 29 000 144 847

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BEECROFT BOWLING & RECREATION CLUB LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Beecroft Bowling & Recreation Club Ltd (the company), which comprises the balance sheet as at 30 June 2017, profit and loss statement, statement of equity changes and statement 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 accompanying financial report of Beecroft Bowling & Recreation Club Ltd 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 financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards to the extent 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 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting requirements under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

BEECROFT BOWLING & RECREATION CLUB LTD
(A company limited by guarantee)
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BEECROFT BOWLING & RECREATION CLUB LTD

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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

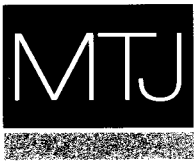
In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company 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.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.



BEECROFT BOWLING & RECREATION CLUB LTD
(A company limited by guarantee)
ABN 29 000 144 847

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BEECROFT BOWLING & RECREATION CLUB LTD

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Signed at Wahroonga this 25 day of September 2017.

MTJ AUDIT PTY LTD

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PETER VILIMAA
Partner