
POTTSVILLE BEACH SPORTS

- it's what's inside -

ABN 65 001 888 151

34th Annual Report & Financial Statements

2013 - 2014

Financial Report for the Year Ended 30 June 2014

Chairman's Report

The year has marked another prosperous outcome for the Club. Continued high turnover and the diminution of the threat of pre-commitment to our gaming income have given the Board confidence to take the first steps to providing an improved and expanded Club.

We have put in place a new administrative structure and invested in modest improvements to the existing fabric of the Club by rejuvenating the lounge bar and modernising the kitchen. Both of these moves are made with an eye to the future. Our most recent valuation, at \$3.7M up from \$3M in March 2009 will enable us to proceed further in diversifying our sources of income and reduce our dependence on the gambling dollar.

Given that it was our first step in this direction we played a cautious hand in our restaurant changeover after our bitter experience with the previous incumbents. We engaged in an exhaustive selection process from a wide field of applicants and believe we have made an exceptional choice. Our last quarter's operations indicate that we now have the management structure and catering partners in "Coolamon" to carry the Club forward.

The Club participated in the usual community activities it has supported for many years with Australia Day 2014 being more noteworthy in that we hosted the event with the Tweed South Lions Club for the Tweed Shire. Anzac Day is another important date in the Club's community calendar and we also conducted a fund-raising function for the Tweed Coast Rural Fire Brigade. They were able to purchase a full set of fire-ground radios, essential to crew safety, as a result. The Kids Xmas Party was also most successful.

Congratulations to all our sporting teams for their many achievements and in particular to the Pottsville Women Bowlers, Coral Withers, Wendy Fielding, Judith Baxter, Georgina Moore, Marie Comerford, Aileen Swift, Doreen Buckley, Janice Richards and Merle Jackson who enjoyed Regional and State success.

My thanks to all our staff and to the volunteers who pitch in on so many occasions to ensure our Club functions well and provides a convivial environment.

A number of members have passed away during the year and we offer condolences to their relatives and friends.



W. H. Brodie
Chairman

General Managers Report – 2014

Dear Members

I have the pleasure to report that the surplus on operations for the 2013 – 14 financial year was \$85,050. This achievement is a better result than the previous year's profit of \$35,910. Earnings before interest, tax, depreciation and amortisation (EBITDA) were \$266,998 in comparison to 2013 EBITDA of \$238,587.

The Club's loan was reduced from \$721,464 [29/6/13] to \$633,331 [28/6/14] a reduction of \$88,133 in 12 months.

This forms part of a trend since I was appointed almost 10 years ago.

Net Profits collated over the past 10 years:

2004/5	-\$3,090
2005/6	\$32,775
2006/7	\$129,391
2007/8	\$155,955
2008/9	\$48,876
2009/10	\$175,610
2010/11	\$137,585
2011/12	\$27,665
2012/13	\$35,910
2013/14	\$85,050

Snapshot - Clubs loan reduction:

Loan as at 2/06/2010 after renovations for outdoor gaming	\$1,276,000
Loan current as at 24/09/2014	\$ 608,135
Loan reduction over last 52 months	\$ 667,865

(average reduction: \$154,116 per year or \$12,843 per month)

Snapshot - Capital expenditure for FY 2013/14

- Gaming \$23,100
- Restaurant referb/equip \$14,953
- Lounge tub chairs \$ 2,824
- Craft Bar, glass fridge doors \$ 5,991
- Power coated fence \$ 5,236
- Air-con unit \$14,530
- 2 digital TV's \$ 735

Total	\$67,369
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I can also report that wages for approximately 28 staff year ending 30 June 2014 totalled \$634,543 which is returned back to our community, of that the Club paid superannuation contributions of \$59,480.

Member's Loyalty Points can now be redeemed not only at both bars but importantly in the Club's Restaurant, "Coolamon".

We provide ongoing community sponsorship to the Tweed Coast Tigers AFL Club which have been successful in winning the Grand Final 3 years out of the past four, unfortunately losing to Bond Uni in a very tight finish this year. Congratulations to the Tigers AFL

reserve team winning this year's Grand Final, well done.

Our other significant sponsorship is to the Pottsville Cricket Club where we provide ground fees for the teams we field.

The Club's newly appointed Operation Manager Michael Judd, thank you for your enthusiasm and drive in promoting our Club. Michael has been instrumental in launching our new Club's web site, promoting the new Craft & Wine Bar above and beyond his general day to day duties, always achieved with a smile. Thank you Michael. To my Supervisors Paul and Jason, thank you for your professionalism; it is not always plain sailing with some staff moving on to greener pastures and to fill these voids can be sometimes daunting but you have all proven yourselves admirably, thank you. It is my belief that our Club would struggle if we didn't have the customer focused staff that we have today, well done.

Office staff Karen Stephens and Michelle Sweet, your focus and determination to achieve your best for our Club contributes to the Club's ongoing success and for this I thank you immeasurably.

Head greenkeeper Paul Earl, you have achieved great success in a very short period, providing our bowling members and visitors with quality greens, congratulations. Upkeep of the Club's gardens and surrounds are always improving, a big thank you to your offside Al Meighan for giving 100%, thanks Al.

To the Club's new Contract Caterers Mitch & Susy Goldsworthy, huge thank you for providing our members and guests the best quality and affordable meals in our area, this has contributed immensely to the success in Club operations, we look forward to continued success.

To our Sub-Clubs and sponsored associates, thank-you for making our Club your Club and we look forward to working closely with all of you in the 2014 – 15 year.

This year's above results have come from dedicated and hard work from the Club's committed team, Chairman Bill Brodie and Directors, management and staff, job well done.

In closing, from past and present staff our sincere condolences to Julie Morris, a loyal and respected staff member for nearly 20 years who passed away this year after a battle with cancer, our thoughts are always with you and your family.

May I also express condolences to the friends and relations of members who passed away during the year, our thoughts are also with you.

Greg Sawtell
General Manager

POTTSVILLE DISTRICT BOWLS AND SPORTS CLUB LIMITED

ABN 65 001 888 151

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

DIRECTORS' REPORT

Your directors present this report on the entity for the financial year ended 30 June 2014.

Directors

The names of each person who has been a director during the year and to the date of this report are:

William Brodie	Narelle Tait
John R Morris	John Burden (resigned 28/9/13)
Trevor Bird	Robert Mackay (resigned 27/7/13)
Heather Woodbridge	Lucille Downward
Debra Goyen	Judith Tuckey
Bruce Cumming (appointed 13/8/14)	

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

Principal Activities

The principal activities of the Company are that of a Licensed Bowls and Sports Club.

Short-term and Long-term Objectives

The short term strategy for the company is to remain in a healthy financial position for members and the community to benefit from.

The long term strategic objectives of the company are to provide members first class bowling greens and sporting facilities.

Strategies

The primary strategies to achieve our objectives are through the entity's Board of Management and staff to maintain a healthy balance sheet by providing exceptional customer service and value for money. Maintaining a strong presence within the community and by nurturing existing sporting activities and by encouraging junior sport through various sub-clubs.

Key Performance Measures

The board will promote the game of lawn bowls by nurturing growth of membership by encouraging the community and surrounding districts to participate in the game of lawn bowls and or sporting events held at the Pottsville Beach Sports Club.

Bowling activities have been steady and on par with the previous year's trading.

	2014	2013	% Movement
Membership			
Men	83	93	(11%)
Women	35	40	(12%)
Social	2632	2794	(6%)

The Club's loan has reduced from \$709,422 (30/6/13) to \$632,332 (30/6/14) showing financial strength in business relationships and corporate management.

POTTSVILLE DISTRICT BOWLS AND SPORTS CLUB LIMITED

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

INFORMATION ON DIRECTORS

NAME	OCCUPATION	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITY
William Brodie	Retired	Executive/Coles Myer Group 1990 Cert/Management Monash Uni	Finance/Entertainment /Gaming Committee
John Morris	Contract Mowing/Landscaping		Finance/Building/ Disciplinary Committee
Trevor Bird	Retired	Research Scientist CSIRO B.Sc. for (A.N.U.) 3yr post/grad Uni of Arizona	Sports liaison officer/Marketing/ Building/Finance Committee
Heather Woodbridge	Retired	Diploma of Education Kawana International Motor- Inn/Tour Director Woodbridge Tours	Gaming/Disciplinary Committee
Narelle Tait	Retired	Trained Nursing Sister	Liaison Greens Officer
John Burden (resigned 28/9/13)	Retired	Technical Training Manager Toyota	Disciplinary/OHS Committee
Robert Mackay (resigned 27/7/13)	Retired	Bank Manager, Bookkeeper	Finance/Building Committee
Lucille Downward	Physiotherapist	Physiotherapist practice 16 years. Treasurer Playtime Preschool. Treasurer Broken Hill Hockey	Building/Gaming Committee
Debra Goyen	Admin/Manager Education Department	Department of Education Treasurer of SASSPA (School Support) Member Lions Club of Tweed Coast South	WH&S/Disciplinary Committee
Judith Tuckey	Retired	30yrs Earthmoving Contracting Business. Experience in Finance, Credit Control, Wages and Accounts	Finance & Audit, Building, WH&S, Greens Liaison Committees

POTTSVILLE DISTRICT BOWLS AND SPORTS CLUB LIMITED

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

Meeting of Directors

During the financial year, ordinary meetings and special meetings of directors were held. Attendances by each director were as follows:

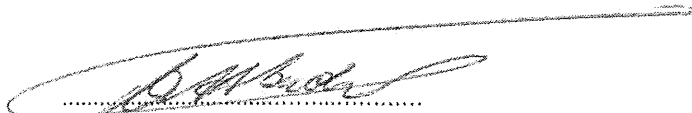
Name	ORDINARY MEETINGS		SPECIAL MEETINGS		FINANCE AND AUDIT COMMITTEE MEETINGS	
	Number Eligible to attend	Number attended	Number Eligible to attend	Number attended	Number Eligible to attend	Number attended
William Brodie	12	12	1	1	6	5
John Morris	12	10	1	1	6	5
Trevor Bird	12	11	1	1	6	5
Heather Woodbridge	12	8	1	0	0	0
Narelle Tait	12	10	1	1	0	0
John Burden (resigned 28/9/13)	3	2	0	0	0	0
Robert Mackay (resigned 27/7/13)	1	1	0	0	0	0
Lucille Downward	12	11	1	1	6	6
Debra Goyen	12	10	1	1	0	0
Judith Tuckey	12	12	1	1	6	5

The Club is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the entity. At 30 June 2014, the total amount that members of the company are liable to contribute if the company is wound up is \$52,640 (2013: \$55,880).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on page 5 of the financial report.

Signed at Pottsville
this 2nd day of October 2014
in accordance with a resolution
of the Board of Directors:


.....
William Brodie
Chairman

POTTSVILLE DISTRICT BOWLS AND SPORTS CLUB LIMITED

ABN 65 001 888 151

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

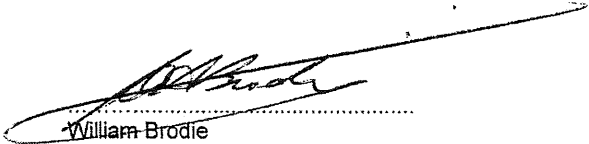
DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 8 to 26, are in accordance with the Corporations' Act 2001 and:
 - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date.
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

Dated this 2nd day
of October 2014 at
Pottsville


William Brodie
Chairman

POTTSVILLE DISTRICT BOWLS AND SPORTS CLUB LIMITED

ABN 65 001 888 151

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
POTTSVILLE DISTRICT BOWLS AND SPORTS CLUB LTD

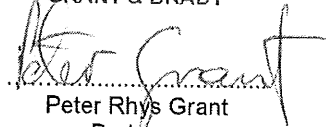
I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there have been:

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

29 September 2014

107-111 Main Street
MURWILLUMBAH NSW 2484

GRANT & BRADY



Peter Rhys Grant
Partner

and Registered Company Auditor

POTTSVILLE DISTRICT BOWLS AND SPORTS CLUB LIMITED

ABN 65 001 888 151

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Report on the financial report

We have audited the accompanying financial report of Pottsville District Bowls and Sports Club Ltd, which comprises the statement of financial position as at 30 June 2014, the statement of profit and loss and other comprehensive income, statement of changes in equity 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.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those 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 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 company's preparation of the financial report that gives a true and fair view 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Pottsville District Bowls and Sports Club Ltd, would be in the same terms if provided to the directors as at the time of this auditor's report.

POTTSVILLE DISTRICT BOWLS AND SPORTS CLUB LIMITED

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (cont.)

Opinion

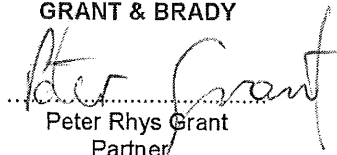
In our opinion, the financial report of Pottsville District Bowls and Sports Club Limited is in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

2 October 2014

107-111 Main Street
MURWILLUMBAH NSW 2484

GRANT & BRADY



Peter Rhys Grant
Partner

and Registered Company Auditor

POTTSVILLE DISTRICT BOWLS AND SPORTS CLUB LIMITED

ABN 65 001 888 151

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	-----	-----
Sales revenue	791,701	901,744
Cost of sales	(307,606)	(368,964)
Gross Profit	----- 484,095	----- 532,780
Poker Machines – Net Revenue	1,102,606	1,142,997
Other income	236,604	270,352
Employee benefits expense	(731,772)	(778,896)
Borrowing costs	(750)	(750)
Other expenses	(823,785)	(927,896)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	----- 266,998	----- 238,587
Interest	(51,472)	(51,968)
Taxes - Income tax expense/(benefit)	(Note 4) -	-
Depreciation & amortisation expense	(130,476)	(150,709)
Profit/(Loss) for the year	(Notes 2 & 3) \$85,050	\$35,910
Other Comprehensive Income after income tax	=====	=====
Items that will not be reclassified subsequently to profit or loss:		
Gains on revaluation of land and buildings	(Note 10 & 16) 805,665	-
Other Comprehensive Income for the Year, net of tax	----- 805,665	----- -
Total Comprehensive Income/(Loss) for the Year	----- \$890,715	----- \$35,910
Profit attributable to members of the company	----- 85,050	----- 35,910
Total comprehensive income/(Loss) attributable to members of the company	890,715	35,910

The accompanying notes form part of these financial statements.

POTTSVILLE DISTRICT BOWLS AND SPORTS CLUB LIMITED

ABN 65 001 888 151

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	2014	2013
	-----	-----
CURRENT ASSETS		
Cash and cash equivalents (Note 6)	189,365	193,482
Trade & other receivables (Note 7)	25,861	23,356
Inventories (Note 8)	24,166	20,078
Other current assets (Note 9)	9,570	7,904
TOTAL CURRENT ASSETS	248,962	244,820
	-----	-----
NON-CURRENT ASSETS		
Property, plant and equipment (Note 10)	3,876,019	3,115,925
Intangible Assets (Note 11)	247,298	247,298
TOTAL NON-CURRENT ASSETS	4,123,317	3,363,223
	-----	-----
TOTAL ASSETS	4,372,279	3,608,043
	-----	-----
CURRENT LIABILITIES		
Trade and other payables (Note 12)	209,549	227,084
Borrowings (Note 13)	154,208	133,127
Short-term provisions (Note 14)	9,716	25,231
Other current liabilities (Note 15)	4,163	4,940
TOTAL CURRENT LIABILITIES	377,636	390,382
	-----	-----
NON-CURRENT LIABILITIES		
Borrowings (Note 13)	487,825	601,455
Long-term provisions (Note 14)	24,355	24,458
TOTAL NON-CURRENT LIABILITIES	512,180	625,913
	-----	-----
TOTAL LIABILITIES	889,816	1,016,295
	-----	-----
NET ASSETS	\$3,482,463	\$2,591,748
	=====	=====
EQUITY		
Retained earnings	1,848,498	1,763,448
Reserves (Note 16)	1,633,965	828,300
TOTAL EQUITY	\$3,482,463	\$2,591,748
	=====	=====

The accompanying notes form part of these financial statements.

POTTSVILLE DISTRICT BOWLS AND SPORTS CLUB LIMITED

ABN 65 001 888 151

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

	Retained Earnings	Revaluation Surplus	Total
Balance at 1 July 2012	1,727,538	828,300	2,555,838
Comprehensive Income Profit for the year	35,910	-	35,910
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year attributable to members of the Company	35,910	-	35,910
Balance at 30 June 2013	<u>\$1,763,448</u> =====	<u>\$828,300</u> =====	<u>\$2,591,748</u> =====
Comprehensive Income Profit for the year	85,050	-	85,050
Other comprehensive income for the year	-	805,665	805,665
Total comprehensive income for the year attributable to members of the Company	85,050	805,665	890,715
Balance at 30 June 2014	<u>\$1,848,498</u> =====	<u>\$1,633,965</u> =====	<u>\$3,482,463</u> =====

Asset Revaluation Reserve:

The asset revaluation reserve records revaluations of non-current assets.

The accompanying notes form part of these financial statements.

POTTSVILLE DISTRICT BOWLS AND SPORTS CLUB LIMITED

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014

	<u>2014</u>	<u>2013</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	2,317,839	2,521,642
Payments to suppliers, employees and patrons	(2,105,470)	(2,250,718)
Finance Costs	(52,222)	(52,531)
	-----	-----
Net cash generated from operating activities	160,147	218,393
	-----	-----
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of plant & equipment	18,867	10,000
Purchase of property, plant and equipment	(90,582)	(47,600)
Purchase of shares	-	(10)
	-----	-----
Net cash flow used in investing activities	(71,715)	(37,610)
	-----	-----
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	(92,549)	(192,783)
	-----	-----
Net cash generated from/(used in) financing activities	(92,549)	(192,783)
	-----	-----
Net increase (decrease) in cash held	(4,117)	(12,000)
Cash and cash equivalents at beginning of the financial year	193,482	205,482
	-----	-----
Cash and cash equivalents at the end of the financial year	\$189,365	\$193,482
	=====	=====

The accompanying notes form part of these financial statements.

POTTSVILLE DISTRICT BOWLS AND SPORTS CLUB LIMITED

ABN 65 001 888 151

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Pottsville District Bowls and Sports Club Ltd applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

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 (AASB) and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

The financial statements were authorised for issue on 2 October 2014 by the directors of the company.

Accounting Policies

(a) Property, Plant & Equipment

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

Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, plus additions at cost, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

POTTSVILLE DISTRICT BOWLS AND SPORTS CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014 (CONT'D)

Property (cont.)

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

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 to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5 - 10%
Plant and equipment	2.5 - 40%
Leased plant and equipment	15%
Poker machines	20%
Motor Vehicles	18.75%

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

POTTSVILLE DISTRICT BOWLS AND SPORTS CLUB LIMITED

ABN 65 001 888 151

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014 (CONT'D)

Depreciation (cont.)

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

(b) Inventories

Inventories comprise stock for resale and special day prizes and are measured at the lower of cost and net realisable value.

(c) Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. The provisions are calculated in accordance with the regulations of the Club Employees (State) Award and associated Acts. Australian Accounting Standard AASB 119 has not been applied in calculating the long service leave provision, as the financial statements are not affected materially by the difference in methods. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense. The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (currently 9.25% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

(d) 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.

POTTSVILLE DISTRICT BOWLS AND SPORTS CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014 (CONT'D)

(e) Leases

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

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

(f) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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.

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

(g) 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.

(h) Cash and Cash Equivalents

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

(i) Revenue

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

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

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

Donations and bequests are recognised as revenue when received.

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014 (CONT'D)

(j) 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). The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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

(k) Comparative Figures

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

(l) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Intangibles

Poker Machine Entitlements

Poker machine entitlements are recognised at cost. They have an indefinite life and no amortisation has been calculated.

(n) 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 (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

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FOR THE YEAR ENDED 30 JUNE 2014 (CONT'D)

Financial Instruments (cont)

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(i) Financial assets at fair value through profit or loss

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

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) 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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale financial assets

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014 (CONT'D)

Financial Instruments (cont)

(v) Financial liabilities

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

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014 (CONT'D)

(o) 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.

Key Estimates

Impairment

The Clubs real property at Pottsville is shown at a valuation completed in 2014 and adopted by the Board on 30 June 2014.

(p) Special Interest Groups (SIG's)

The net profit or loss from the operations of the Pottsville Pirates and Men's & Women's Bowls Clubs have been included in the profit for the year.

POTTSVILLE DISTRICT BOWLS AND SPORTS CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014 (CONT'D)

	2014	2013
	-----	-----
2. REVENUE AND OTHER INCOME		
Revenue		
Sales Revenue	- Catering & Beverages	901,744
	791,701	901,744
	-----	-----
Total Sales Revenue	791,701	901,744
Other Revenue		
	- Poker Machine Net Revenue	1,142,997
	- Bingo	9,637
	- Sub-Clubs - Green fees	37,028
	- Subscriptions	16,086
	- Commissions - Keno	29,898
	- Other	22,945
	- Raffle income	24,886
	- Sundry	129,872
	1,102,606	1,142,997
	-----	-----
Total revenue and other income	\$2,130,911	\$2,315,093
	=====	=====

3. PROFIT FOR THE YEAR

Significant Revenue and Expenses:-

Cleaning & waste removal	70,982	75,017
Electricity & gas	96,507	106,591
Entertaining expenses	57,615	65,245
Repair & maintenance	66,914	66,749
Sub-Club Expenses	93,730	76,075

4. INCOME TAX EXPENSE

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.

5. SECURED LOANS

At balance date the ANZ Bank held security by way of a registered first mortgage over the Club land and buildings. This secures a loan of \$632,332 (refer Note 13).

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014 (CONT'D)

	2014	2013
	-----	-----
6. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	184,365	188,482
Cash Deposit – TAB	5,000	5,000
Total Cash and Cash Equivalents	\$189,365	\$193,482
	=====	=====
7. TRADE AND OTHER RECEIVABLES		
Trade Receivables	34,036	23,356
Less: Provision for impairment	(8,175)	-
Total Trade Receivables	\$25,861	\$23,356
	=====	=====
(i) Provision for Impairment of Receivables		
<p>Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired.</p>		
8. INVENTORIES		
	2014	2013
	-----	-----
Finished goods – bar stock, food, prizes and sundry items	\$24,166	\$20,078
	=====	=====
9. OTHER CURRENT ASSETS		
Prepayments	9,570	7,904
Total other current assets	\$9,570	\$7,904
	=====	=====

POTTSVILLE DISTRICT BOWLS AND SPORTS CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014 (CONT'D)

10. PROPERTY, PLANT AND EQUIPMENT	2014	2013
	-----	-----
Land and buildings at fair value:		
- at independent valuation 30/6/2014	3,324,000	2,959,141
- additions since valuation – at cost	-	18,053
Less: accumulated depreciation	-	425,607
	-----	-----
Total land and buildings	3,324,000	2,551,587
	-----	-----
Plant and equipment:		
- at cost	1,485,980	1,427,167
Less: accumulated depreciation	975,815	914,342
	-----	-----
Total plant and equipment	510,165	512,825
	-----	-----
Motor vehicles:		
- at cost	87,461	87,461
Less: accumulated depreciation	45,607	35,948
	-----	-----
Total Motor vehicles	41,854	51,513
	-----	-----
Total property, plant and equipment	\$3,876,019	\$3,115,925
	=====	=====

(a) **Movements in Carrying Amounts**

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

	Land & Buildings	Plant and Equipment	Motor Vehicle
2014			
Balance at the beginning of the year	2,551,587	512,825	51,513
Additions at cost	6,045	84,537	-
Additions at fair value	-	-	-
Revaluations	805,665	-	-
Disposals	-	(5,677)	-
Depreciation expense	(39,297)	(81,520)	(9,659)
	-----	-----	-----
Carrying amount at the end of the year	3,324,000	510,165	41,854
	=====	=====	=====

An independent valuation of the land and buildings has been conducted on 22 January 2014 by Terry O'Rourke who is a certified practising valuer. The valuation at that date was \$3,324,000 and the directors have adopted that valuation as at 30 June 2014

POTTSVILLE DISTRICT BOWLS AND SPORTS CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014 (CONT'D)

	2014	2013
	-----	-----
11. INTANGIBLE ASSETS		
Poker Machine Entitlements – at cost	247,298	247,298
	-----	-----
Total Intangible Assets	\$247,298	\$247,298
	=====	=====
	Poker Machine Entitlements	
2014		
Balance at the beginning of the year	247,298	
Additions at cost	-	
Disposals	-	
Amortisation charge	-	

Carrying amount at the end of the year	\$247,298	
	=====	
Gaming Machine Entitlements		
The Gaming Machine Act 2001 has created gaming entitlements for the Club that have a tradeable value. The Club has 47 gaming entitlements. The carrying value of intangible assets represents 10 entitlements which were acquired for consideration. The remaining 37 entitlements had no cost and have not been brought to account. The total 47 poker machine entitlements have a market value of \$376,000 as at 22 January 2014 as per an independent valuation prepared by Terry O'Rourke.		
12. TRADE AND OTHER PAYABLES		
Current Liabilities		
Trade creditors	72,154	61,731
Employee entitlements – annual leave	31,814	56,768
Accrued expenses	81,466	80,096
GST Payable	24,115	28,489
	-----	-----
Total Current Payables	\$209,549	\$227,084
	=====	=====
a) Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables		
- Total current	209,549	227,084
- Total non-current	-	-
	-----	-----
	209,549	227,084
Less deferred income	-	-
Less employee entitlements – annual and sick leave	31,814	56,768
	-----	-----
Financial liabilities as trade and other payables	\$177,735	\$170,316
	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014 (CONT'D)

		2014	2013
		-----	-----
13. BORROWINGS			
Current Liabilities			
Term payment facilities – unsecured		9,701	17,047
Short-term borrowings - Loan secured	(Note 5)	144,507	116,080
		-----	-----
Total Short-term borrowings		154,208	133,127
		=====	=====
Non-Current Liabilities			
Long-term borrowings			
- Term payment facilities - unsecured		-	8,113
- Loan secured	(Note 5)	487,825	593,342
		-----	-----
Total Long-term borrowings		487,825	601,455
		-----	-----
Total Borrowings		\$642,033	\$734,582
		=====	=====
Total secured liabilities	(Note 5)	\$632,332	\$709,422
		=====	=====
14. PROVISIONS			
		Long-term	
		Employee	
		Benefits	Total
Opening balance as at 1 July 2013		49,689	49,689
Additional provisions raised during the year		2,071	2,071
Amounts used		(17,689)	(17,689)
		-----	-----
Balance at 30 June 2014		\$34,071	\$34,071
		=====	=====
Analysis of Total Provisions			
		2014	2013
		-----	-----
Current		9,716	25,231
Non-Current		24,355	24,458
		-----	-----
		\$34,071	\$49,689
		=====	=====
Provision for Long-term Employee Benefits			
A provision has been recognised for employee entitlements relating to long service leave. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.			
15. OTHER CURRENT LIABILITIES			
		2014	2013
		-----	-----
Subscription received in advance		4,163	4,940
		-----	-----
		\$4,163	\$4,940
		=====	=====

POTTSVILLE DISTRICT BOWLS AND SPORTS CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014 (CONT'D)

	2014	2013
	-----	-----
16. RESERVES		
Revaluation Surplus		
Opening balance	828,300	828,300
Revaluation increases/(decreases)	805,665	-
	-----	-----
Closing Balance	\$1,633,965	\$828,300
	=====	=====
The revaluation surplus records the revaluations of non-current assets.		
	=====	=====
TOTAL RESERVES	\$1,633,965	\$828,300
	=====	=====

17. KEY MANAGEMENT PERSONNEL

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

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

Key management personnel compensation	\$137,021	\$124,665
	=====	=====

18. RELATED PARTY TRANSACTIONS

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

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

All transactions made by the directors with the Club are under the same terms and conditions applying to members and other patrons generally.

19. FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable 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	2014	2013
		-----	-----
FINANCIAL ASSETS			
Cash and cash equivalents	6	189,365	193,482
Trade and other receivables	7	25,861	23,356
		-----	-----
Total Financial Assets		215,226	216,838
		=====	=====
FINANCIAL LIABILITIES			
Trade and other payables	12	177,735	170,316
Borrowings	13	642,033	734,582
		-----	-----
Total Financial Liabilities		819,768	904,898
		=====	=====

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014 (CONT'D)

20. SPECIAL INTEREST GROUPS (SIG's)

The results achieved by each Club are as follows:

	Note	2014	2013
		-----	-----
Net profit/(loss)			
- Men's Bowls Club		(5,521)	6,399
- Women's Bowls Club		5,869	2,057
- Pottsville Pirates		(2,090)	101
		-----	-----
Total profit/(loss) from SIG's		(1,742)	8,557
		=====	=====

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CORE AND NON-CORE PROPERTY

In accordance with Section 41J(2) of the Registered Clubs Act 1976 the core property and non-core property as at 30 June 2014 is provided below. This information does not form part of the audited financial accounts.

Core and Non-Core Property

The Directors consider the Club's defined premises and all of its sporting facilities to be Core Property.

Section 41J of the Act defines core property as meaning any real property owned or occupied by the Club that comprises:

1. the defined premises of the club, or
2. any facility provided by the club for the use of its members and their guests, or
3. any other property declared, by resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, to be core property of the club.

Non-core property is defined as meaning any real property owned or occupied by the Club that is not core property.