

Tweed Heads Bowls Club Ltd
ABN: 85 001 055 901

Financial Report

For the Year Ended 30 June 2008

Tweed Heads Bowls Club Ltd
ABN: 85 001 055 901
For the Year Ended 30 June 2008

CONTENTS

	<u>Page</u>
Financial Report	
Directors' Report	1
Auditor's Independence Declaration	6
Income Statement	7
Balance Sheet	8
Statement of Changes in Equity	9
Cash Flow Statement	10
Notes to the Financial Statements	11
Directors' Declaration	33
Independent Auditors' Report	34

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Directors' Report 30 June 2008

Your directors present their report together with the financial statements of Tweed Heads Bowls Club Limited ('the company') for the financial year ended 30 June 2008 and the Independent Auditors' Report thereon.

Tweed Heads Bowls Club Limited is incorporated in Australia and its principal place of business and registered office is Florence Street Tweed Heads.

Directors

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

Names	Appointed/Resigned
Mr H R Howell (Chairman)	
Mr V A Leather (Deputy Chairman)	
Mr P Crerar	Resigned 11 November 2007
Mrs D Fysh	
Mr P Harris	
Mrs M Heydt	
Mr T Kelly OAM	
Mr J Mann	Appointed 11 November 2007
Mr R Macdonald	
Mr T Patton	

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

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Mr Ross Bailey

Principal Activities

The principal activities of the company during the course of the financial year were to encourage and promote the participation of men and women in the sport of bowls and to provide for members and member's guests a sporting and social club with the usual facilities of a registered club.

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

Operating Results

The operating profit (loss) for Tweed Heads Bowls Club Limited after providing for income tax amounted to \$343,662 loss (2007: \$307,248 profit).

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Directors' Report 30 June 2008

Review of Operations

The company earned an operating loss of (\$343,662) (2007: \$307,248). The operating profit before depreciation was \$974,952 (2007: \$1,638,075).

In the current year the operating revenue of the Club totalled \$18,133,884 representing an increase in revenue of \$210,755 (1%). The majority of the club industry experienced severe declines in revenue because of the impact of changes to smoking legislation. The trend experienced by the club is opposite to the industry reflecting the impact of the renovations to the Level One facility initiated by the Board of Directors.

Total expenditure for the year was \$18,477,546 which was an increase of \$861,665 (5%) on the previous year. The increase in expenditure was primarily abnormal in nature with significant amounts spent on painting the exterior of the club, the launch and rebranding of Level One and THBC, including the introduction and launching of the new entertainment format. Increases in costs of fuel and rising costs of business also impacted the club, particularly in the product for sale in bars and restaurants. Employees benefits expenses decreased slightly during the fiscal year. The number of full time equivalent employees at the end of the year was 99 (2007:100).

Core and Non-Core Property

The Directors have resolved that the premises of the main club and the land it occupies is deemed to be core property for the purposes of section 41J of the Registered Clubs Act.

Dividends Paid, Recommended and Declared

The company is precluded from paying dividends to its members and as such, no dividend has been paid or recommended during or since the financial year.

Events Subsequent to Balance Date

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.

Significant Changes in State of Affairs

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Likely Developments

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company. A broad statement of the Company's financial performance is addressed in the commentary included in the Annual Report.

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Directors' Report 30 June 2008

Environmental Issues

The company is subject to various environmental regulations both under Commonwealth and State legislation. The Board is of the opinion that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

Occupational Health and Safety Regulations

The Company takes a proactive approach to risk management and the Board is committed to ensuring that a systematic approach is adopted in regard to the policies concerning the occupational health and safety issues of the employees, members and visitors' safety and well being whilst attending the club.

Directors' Benefits

During or since the end of the financial year no director of the Company has received or become entitled to receive any benefit by reason of a contract made by the Company or with a firm of which a director is a member, or with an entity in which a director has a substantial interest.

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 6.

Indemnifying Officers or Auditors

During or since the end of the financial year the company has given an indemnity or entered into an agreement to indemnify the Directors and Officers of the Company against all liabilities to another person (other than the Company) that may arise from their position as directors or officers of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Since the end of the previous financial year the Company has paid insurance premiums of \$5,402 (2007:\$5,371) in respect of a Directors' and Officers' Liability insurance contract, for current and former directors of the Company. The insurance premiums relate to costs and expenses which may be incurred in defending proceedings, whether civil or criminal and whatever their outcome, and other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

Information on Directors

	Occupation/ Qualifications	Position/Special Responsibilities	Years as Director of Club
H R Howell	Retired Proprietor / Manager	Chairman of the Board (4 Years)	6
V A Leather	Retired Grazier / Proprietor	Deputy Chairman (1 Year)	14
D Fysh	Retired Business Manager	Director	3
P Harris	Retired Real Estate Proprietor	Director	5 1/2
M Heydt	Retired Company Secretary	Director	8
T Kelly OAM	Retired Managing Director / CEO	Director	10
J Mann	Retired Self Employed	Director	1/2
R Macdonald	Retired Manager / Proprietor	Director	4
T Patton	Retired Bank Manager	Director	2

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Directors' Report 30 June 2008

Meetings of Directors

During the financial year, 28 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Special Meetings	
	Eligible to attend	Number attended	Eligible to attend	Number attended
Mr H R Howell (Chairman)	22	22	6	6
Mr V A Leather (Deputy Chairman)	22	22	6	5
Mrs D Fysh	22	21	6	6
Mr P Harris	22	22	6	5
Mrs M Heydt	22	21	6	6
Mr T Kelly OAM	22	22	6	5
Mr J Mann	13	13	4	4
Mr R Macdonald	22	21	6	6
Mr T Patton	22	22	6	4
Mr P Crerar	9	9	2	2

2007 / 2008 Liaison Directors & Committees

Committee	Committee Members
Audit, Compliance and Community	T Kelly OAM, D Fysh, R Macdonald, T Patton
Constitution, Membership & Discipline	M Heydt, P Harris, D Fysh, T Kelly <i>H R Howell (Disciplinary Hearings Only)</i>
Major Projects	H R Howell, D Fysh, D Fysh, P Harris, M Heydt, T Kelly OAM, V A Leather, R Macdonald, T Patton, J Mann
Bowls & Sports	
Bowls Review	R Macdonald, P Harris, T Kelly OAM, J Mann, Greg Kelly (Bowls Development Officer)
Bowls Super Challenge	V A Leather, R Macdonald, Greg Kelly
Junior Development	V A Leather
Indoor Green	M Heydt, D Fysh, J Mann
Outdoor Greens	T Patton
Tournaments	P Howell, M Heydt, V A Leather, T Patton, G Kelly, Paul Chircop (by invitation)

*Under Corporate Governance Meeting Statistics of Attendance for Audit & Compliance Committee are required to be kept.

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

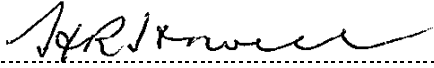
Directors' Report 30 June 2008

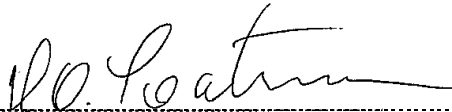
Proceedings on Behalf of Club

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

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

Director: 
.....
Mr H R Howell (Chairman)

Director: 
.....
Mr V A Leather (Deputy Chairman)

Dated at Tweed Heads this 22 day of September 2008



Thomas Noble & Russell
Accountants | Auditors | Business Advisers

Lismore, 22 September 2008

The Board of Directors
Tweed Heads Bowls Club Limited
PO Box 167
TWEED HEADS NSW 2485

Dear Sir/Madam

AUDITOR'S INDEPENDENCE DECLARATION

This declaration is made in connection with our audit of the financial report of Tweed Heads Bowls Club Limited for the year ended 30 June 2008 and in accordance with the provisions of the Corporations Act 2001.

We declare that, to the best of our knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to this audit;
- No contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia in relation to this audit.

Yours faithfully

THOMAS NOBLE & RUSSELL

A handwritten signature in cursive script, appearing to read 'B Jameson', written over a horizontal dotted line.

B JAMESON (Partner)



Liability limited by a
scheme approved
under Professional
Standards Legislation.

Thomas Noble & Russell is a member of HLB International. A world-wide organization of accounting firms and business advisers

Tweed Heads Bowls Club Ltd
ABN: 85 001 055 901
Income Statement
For the Year Ended 30 June 2008

	Note	2008 \$	2007 \$
Revenue from continuing operations	2	18,133,884	17,923,133
Expenses from continuing operations	3	(18,475,172)	(17,613,511)
Finance costs		<u>(2,374)</u>	<u>(2,374)</u>
(Loss)/profit before income tax		<u>(343,662)</u>	<u>307,248</u>
Income tax expense	1(g)	<u>-</u>	<u>-</u>
(Loss)/profit attributable to members of Tweed Heads Bowls Club Limited		<u><u>(343,662)</u></u>	<u><u>307,248</u></u>

Notes to and forming part of the financial statements are attached.

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Balance Sheet As at 30 June 2008

	Note	2008 \$	2007 \$
ASSETS			
Current assets			
Cash and liquid assets	4	1,364,274	3,845,495
Trade and other receivables	5	92,869	146,138
Inventories	6	233,787	241,971
Other current assets	7	110,853	99,950
Total current assets		1,801,783	4,333,554
Non-current assets			
Other financial assets	8	-	2
Other non-current assets	9	115,853	115,853
Intangible assets	10	2,850,000	2,850,000
Property, plant and equipment	11	28,990,651	27,761,198
Total non-current assets		31,956,504	30,727,053
TOTAL ASSETS		33,758,287	35,060,607
LIABILITIES			
Current liabilities			
Trade and other payables	12	1,875,865	2,740,443
Borrowings	13	17,670	26,891
Provisions	14	480,468	529,020
Total current liabilities		2,374,003	3,296,354
Non-current liabilities			
Provisions	14	28,008	64,315
Total non-current liabilities		28,008	64,315
TOTAL LIABILITIES		2,402,011	3,360,669
NET ASSETS		31,356,276	31,699,938
MEMBERS' FUNDS			
Retained Members' Funds		31,356,276	31,699,938
TOTAL MEMBERS' FUNDS		31,356,276	31,699,938

Notes to and forming part of the financial statements are attached.

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Statement of Changes in Equity For the Year Ended 30 June 2008

		Retained Earnings	Total
	Note	\$	\$
30 June 2007			
Total members' funds at the beginning of the financial year 1 July 2006		31,392,690	31,392,690
Profit for the year		307,248	307,248
		<hr/>	<hr/>
Total members' funds at the end of the financial year 30 June 2007		31,699,938	31,699,938
		<hr/>	<hr/>
30 June 2008			
Total members' funds at the beginning of the financial year 1 July 2007		31,699,938	31,699,938
Loss for the year		(343,662)	(343,662)
		<hr/>	<hr/>
Total members' funds at the end of the financial year 30 June 2008		31,356,276	31,356,276
		<hr/> <hr/>	<hr/> <hr/>

Notes to and forming part of the financial statements are attached.

Tweed Heads Bowls Club Ltd
ABN: 85 001 055 901
Cash Flow Statement
For the Year Ended 30 June 2008

	2008	2007
Note	\$	\$
Cash flows from operating activities:		
Receipts from customers	18,116,930	17,508,544
Payments to suppliers and employees	(12,875,829)	(12,632,929)
GST paid in the course of operations	(289,289)	(283,494)
Other government charges paid	(3,589,915)	(3,602,043)
Interest paid	(2,374)	(2,374)
Interest received	66,975	326,655
Net cash provided by operating activities	24(ii) 1,426,498	1,314,359
Cash flows from investing activities:		
Proceeds from sale of plant and equipment	46,848	17,298
Proceeds from sale of investment	-	4,407,633
Purchase of property, plant and equipment	(3,945,346)	(3,748,203)
Proceeds from sale of assets available for sale	-	518,747
Net cash provided by/(used in) investing activities	(3,898,498)	1,195,475
Cash flows from financing activities:		
Repayment of borrowings	(9,221)	(9,221)
Net cash provided by/(used in) financing activities	(9,221)	(9,221)
Net increase/(decrease) in cash and cash equivalents held	(2,481,221)	2,500,613
Cash and cash equivalents at the beginning of the financial year	3,845,495	1,344,882
Cash and cash equivalents at the end of the financial year	4 1,364,274	3,845,495

Notes to and forming part of the financial statements are attached.

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Notes to the Financial Statements For the Year Ended 30 June 2008

Note 1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Tweed Heads Bowls Club Ltd ('the Company') is incorporated and domiciled in Australia and is a company limited by guarantee with the liability of members limited to the amount set out in the Company's Constitution. The amount of the guarantee is limited to such amount as may be required not to exceed two dollars (\$2.00). The guarantee is not capable of being called up except for the purpose of winding up the Company. The nature of the operations and principal activity of the Company is to encourage and promote the participation of men and women in the sport of bowls and to provide for members and members' guests as a sporting and social club with the usual facilities of a registered club.

The financial report of Tweed Heads Bowls Club Ltd complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. Application of AIFRS ensures that the financial report comprising the financial statements and notes thereto, complies with International Financial Reporting Standards.

The financial report was authorised for issue by the Directors on 22 September 2008.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(b) Principals of Consolidation

The financial report covers the consolidated group of Tweed Heads Bowls Club Limited and its controlled entity (Tweed Synthetic Greens Pty Ltd), and Tweed Heads Bowls Club Limited as an individual parent entity. However, the Company has not prepared consolidated financial statements as it considers the balances relating to the controlled entity immaterial when compared to the parent entity. Details relating to the controlled entity have been disclosed separately in Note 8.

(c) Significant accounting estimates, judgments and assumptions

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

(i) Significant Accounting Judgments

In the process of applying the Company's accounting policies, the directors and management have made judgments, apart from those involving estimates, which have an effect on the amounts recognised in the financial statements. None of these judgments were deemed to be individually or collectively significant.

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Notes to the Financial Statements For the Year Ended 30 June 2008

Note 1 Statement of Significant Accounting Policies (Cont'd)

(c) Significant accounting estimates, judgments and assumptions (cont'd)

(ii) Significant Accounting Estimates and Assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates or assumptions of future events. None of these estimates were deemed to have significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next reporting period.

(d) Cash and Cash Equivalents

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

(e) Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured.

Revenue from the sale of goods is recognised upon the delivery of goods to customers, (net of returns, discounts and allowances).

Membership subscriptions income is recognised as income in the year to which it relates.

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

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate. The effective rate discounts estimated future receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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

(f) Leases

(i) Finance leases

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

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Notes to the Financial Statements For the Year Ended 30 June 2008

Note 1 Statement of Significant Accounting Policies (Cont'd)

(f) Leases (Cont'd)

Leased assets are depreciated on a straight-line basis or diminishing value basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease.

(ii) Operating leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(g) Income Tax

The Tweed Heads Bowls Club Limited is exempt from paying income tax pursuant to Section 50-45 of the Income Tax Assessment Act 1997. Accordingly, no provision for income tax is required.

(h) Goods and Services Tax (GST)

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

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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(i) Investments and Other Financial Assets

Financial assets are initially measured at cost of trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition the Company determines the classification of its financial assets, when allowed and appropriate, at the end of each financial year. These instruments are measured as set out below.

Held to Maturity Investments

Non derivative financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity when the Company has the positive intention and ability to hold the asset to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held to maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised costs, gains and losses are recognised in the profit and loss when the investments are impaired or derecognised, as well as through the amortisation process.

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Notes to the Financial Statements For the Year Ended 30 June 2008

Note 1 Statement of Significant Accounting Policies (Cont'd)

(i) Investments and Other Financial Assets (Cont'd)

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit and loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Impairment

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

(j) Property, Plant and Equipment

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

Freehold land and buildings are measured on the cost basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Plant and equipment are measured on the cost basis.

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives 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 assets are:

Buildings	1.5% - 2.5%
Poker Machines and Equipment	15% - 33%
Furnishings, Fittings, Plant & Equipment	6% - 20%

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

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying amount may be impaired.

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Notes to the Financial Statements For the Year Ended 30 June 2008

Note 1 Statement of Significant Accounting Policies (Cont'd)

(j) Property, Plant and Equipment (Cont'd)

The recoverable amount of property, plant and equipment is the higher of the fair value less the costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present values using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment exists when the carrying value of an asset or cash generating unit exceeds its estimated recoverable amount. The asset or cash generating unit is then written down to its recoverable amount. Losses relating to impairment to assets are accounted for in the income statement of the Company upon recognition.

(k) Trade and other Receivables

Trade receivables, which generally have 30 - 90 day terms are recognised and carried at original invoice amount less an allowance for any uncollectable amounts. An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

(l) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for at purchase cost on a weighted average basis.

(m) Trade and other Payables

Trade and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(n) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the company to employee superannuation funds and are charged as expenses when incurred.

(o) Comparative Figures

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

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Notes to the Financial Statements For the Year Ended 30 June 2008

Note 1 Statement of Significant Accounting Policies (Cont'd)

(p) Intangibles

Poker Machine Entitlements – Government Grant

Poker machine entitlements were granted to the company by the NSW government prior to 1 July 2004 and will remain current until such time as the company disposes of its entitlements or there is an amendment to the NSW government legislation. On this basis, poker machine entitlements are assessed as being intangible assets with an indefinite useful life and have not been amortised.

Poker machine entitlements have been recognised in the balance sheet at deemed cost as at 1 July 2004. The entitlements have been recognised in the balance sheet as an intangible asset and the offsetting credit has been taken to retained earnings at 1 July 2004. Poker machine entitlements continue to be carried at cost in the balance sheet and are subject to an annual impairment test.

(q) Provisions

Provisions are recognised when the company has a present obligation, the future sacrifice of economic benefits is probable and the amount of the provision can be reliably measured. The amount recognised as a provision is the best estimate of the amount required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, the cash flows have been discounted to their present value as at reporting date.

Where some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised where it is probable the recovery will be received and the amount can be reliably measured.

(r) Critical Accounting Estimated and Judgement

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

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 incorporate a number of key estimates.

No impairment has been recognised in respect of the intangible assets (poker machine entitlements) and other current assets (Club Master Plan) for the year ended 30 June 2008.

Key judgments — Provision for impairment of receivables

The company receives most of its income on a cash basis. Of the receivables at 30 June 2008, no amounts have been identified as being doubtful of collection.

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Notes to the Financial Statements For the Year Ended 30 June 2008

Note 1 Statement of Significant Accounting Policies (Cont'd)

(s) Changes in Accounting Policies

The following Australian Accounting Standards issued or amended are applicable to the company but are not yet effective for the 2008 financial year and have not been adopted in preparation of the financial statements at reporting date. The impact of each Accounting Standard on the company's financial reporting in future periods is considered immaterial.

	Title and Topic	Application*
(i)	Revised AASB 101 Presentation of Financial Statements. AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10. Further Amendments to Australian Accounting Standards Arising from AASB 101.	1 January 2009
(ii)	Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 (AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 and AASB 138 and Interpretations 1 and 12).	1 January 2009
(iii)	Revised AASB 127 Consolidated and Separate Financial Statements.	1 July 2009
(iv)	AASB 2008 - 1 Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations.	1 January 2009
(v)	AASB 2008 - 2 Amendments to Australian Accounting Standards - Puttable Financial Instruments and Obligations Arising on Liquidation.	1 January 2009
(vi)	AASB 2008 - 3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127.	1 July 2009

* Applicable to reporting periods commencing on or after the given dates.

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Notes to the Financial Statements For the Year Ended 30 June 2008

2008 2007
\$ \$

Note 2 Revenue

Revenue from operating activities

- Entertainment Activities	10,778,847	10,879,153
- Catering Activities	4,320,683	3,941,803
- Bar and Bottle Shop Activities	2,508,580	2,337,951
- Bowls Activities and Bowlers Subscriptions	245,178	242,798
- Show Ticket Sales	-	24,216
- Social Membership, Commissions and Other Services	179,168	145,476
	<u>18,032,456</u>	<u>17,571,397</u>

Non-operating revenue

- Rental revenue	33,640	23,791
- Interest revenue	59,296	325,895
- Profit on the sale of property, plant and equipment	8,492	2,050
	<u>101,428</u>	<u>351,736</u>

Total revenue from continuing operations

18,133,884 17,923,133

Note 3 Profit from continuing operations

i. Profit from continuing operations has been determined after:

Expenses from continuing operations – by nature:

Cost of goods sold	2,816,361	2,633,592
Employee benefits expense	6,100,136	6,116,578
Depreciation expense	1,318,614	1,330,827
Advertising, entertainment, marketing and promotions expense	2,348,643	2,008,276
Bowls costs - indoor and outdoor	493,801	496,585
Taxes and levies	2,599,314	2,562,924
Maintenance, power, cleaning and other facility costs	1,602,073	1,374,263
Insurance, poker machine rental and other costs	1,196,230	1,090,466
Total expenses from continuing operations	<u>18,475,172</u>	<u>17,613,511</u>

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Notes to the Financial Statements For the Year Ended 30 June 2008

Note 3 Profit from continuing operations (Cont'd)

	2008	2007
	\$	\$
ii. Significant Items		
The following income and expense items are relevant in explaining the financial performance.		
Revenue:		
Write back of sick leave provision ¹	51,134	-
Expense:		
Painting of club exterior	87,750	-

¹ Portion of sick leave provision relating to sick leave accrued prior to 15 February 1993 under the Club Employees (State) Award. This leave is no longer vesting.

Note 4 Cash and Liquid Assets

Cash on hand	328,645	445,076
Cash at bank	1,035,629	3,400,419
	<u>1,364,274</u>	<u>3,845,495</u>

(a) Cash at bank and on hand

Cash on hand is non-interest bearing. Cash at bank earns interest at floating rates based on daily bank deposits rates.

(b) Deposits at call

Short term deposits are made for varying periods of between three and twelve months depending on the immediate cash requirements of the company, and bear floating interest rates of approximately 7.25% (2007 – 6.25%).

Note 5 Trade and Other Receivables

Trade receivables	92,869	138,459
Interest receivable	-	7,679
	<u>92,869</u>	<u>146,138</u>

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Notes to the Financial Statements For the Year Ended 30 June 2008

Note 5 Trade and Other Receivables (Cont'd)

	2008	2007
	\$	\$

(a) Impaired and past due receivables

The amounts within receivables do not contain impaired assets. At balance date there are no receivables 30 days past due.

(b) Credit Risk

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The company does not hold any collateral or security. The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

Note 6 Inventories

At cost:

Raw materials and stores	80,254	52,675
Finished goods	153,533	189,296
	<u>233,787</u>	<u>241,971</u>

Note 7 Other Current Assets

Prepayments	<u>110,853</u>	<u>99,950</u>
-------------	----------------	---------------

Note 8 Other Financial Assets

Investment in controlled entity:- Shares in Tweed Synthetic Greens Pty Limited	<u>-</u>	<u>2</u>
--	----------	----------

The controlling entity, Tweed Heads Bowls Club Limited, has a 0% (2007: 100%) ordinary shareholding in the controlled entity, Tweed Synthetic Greens Pty Limited, which is incorporated in Australia. The investment in the subsidiary is carried at cost. During the year ended 30 June 2008 the investment in this entity was discontinued.

Note 9 Other Non-Current Assets

Precinct master plan – deferred costs	<u>115,853</u>	<u>115,853</u>
---------------------------------------	----------------	----------------

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Notes to the Financial Statements For the Year Ended 30 June 2008

Note 10 Intangible Assets

	2008	2007
	\$	\$
Gaming machine entitlements –at cost	<u>2,850,000</u>	<u>2,850,000</u>

Poker machine entitlements are been recognised in the balance sheet at deemed cost. The original deemed cost at 1 July 2004 was \$2,850,000. The gaming machine entitlements have an indefinite useful life, which can be affected by changes in government policy. The title of these entitlements and the ability to sell them is restricted by the current Gaming Laws.

Note 11 Property Plant and Equipment

Freehold land - at cost	<u>4,025,366</u>	<u>4,025,366</u>
Buildings and Improvements - at cost	28,299,206	22,268,485
Renovations in progress	-	4,595,976
Less accumulated depreciation	<u>(6,490,858)</u>	<u>(5,880,398)</u>
	<u>21,808,348</u>	<u>20,984,063</u>
Furniture & Fixtures, Plant & Equipment - at cost	12,103,238	13,285,433
Less accumulated depreciation	<u>(8,965,941)</u>	<u>(10,564,072)</u>
	<u>3,137,297</u>	<u>2,721,361</u>
Leased Assets	41,212	41,212
Less accumulated depreciation	<u>(23,024)</u>	<u>(15,197)</u>
	<u>18,188</u>	<u>26,015</u>
Motor vehicles		
Motor Vehicles, at cost	19,544	19,544
Less accumulated depreciation	<u>(18,092)</u>	<u>(15,151)</u>
	<u>1,452</u>	<u>4,393</u>
Total property, plant and equipment	<u>28,990,651</u>	<u>27,761,198</u>

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Notes to the Financial Statements For the Year Ended 30 June 2008

Note 11 Property Plant and Equipment (Cont'd)

In accordance with the Company's policy of valuing land and buildings every three years, an independent valuation was carried out by Paul Murphy of Herron Todd White at 30 June 2007. This valuation was performed on the basis of open market value of land in its existing use and the depreciable value buildings and improvements of the clubhouse and surrounds. The values attached to the land and buildings held by the Company are as follows:

Land	\$17,250,000
Buildings	<u>\$25,500,000</u>
	<u>\$42,750,000</u>

The carrying value of land and buildings in the financial statements were not adjusted to reflect this valuation.

Movements in Carrying Amounts

	Freehold Land at Valuation	Buildings and Improvements	Furnishings, Plant, Fittings and Equipment	Motor Vehicle	Leased Assets	Total
	\$	\$	\$	\$	\$	\$
Balance at the beginning of year	4,025,366	20,984,063	2,721,361	4,393	26,015	27,761,198
Additions	-	1,433,791	1,152,633	-	-	2,586,424
Disposals	-	-	(2,335,974)	-	-	(2,335,974)
Depreciation Expense	-	(609,506)	(698,340)	(2,941)	(7,827)	(1,318,614)
Writeback of Depreciation	-	-	2,297,617	-	-	2,297,617
Carrying amount at the end of year	4,025,366	21,808,348	3,137,297	1,452	18,188	28,990,651

	2008	2007
	\$	\$

Note 12 Trade and Other Payables

Trade payables and accruals	1,388,383	2,220,684
Employee benefits – annual leave	366,278	412,291
Members subscriptions in advance	121,204	107,468
	1,875,865	2,740,443

Trade payables are non-interest bearing and are normally settled on 30 day terms. Accruals are based on known and estimated expenditure for which an invoice has not been received for the goods or services provided to the Company.

Members subscriptions in advance are renewals of club members' subscriptions received prior to the commencement of the subscription year.

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Notes to the Financial Statements For the Year Ended 30 June 2008

Note 13 Borrowings

	2008	2007
	\$	\$
CURRENT		
<i>Secured</i>		
Lease Liabilities	17,670	26,891
	<u>17,670</u>	<u>26,891</u>

a) The carrying amount of non current assets pledged as security are:

Floating Charge:		
Motor Vehicle	18,187	26,015
	<u>18,187</u>	<u>26,015</u>

The lease liability is repayable in the 2009 year in full.

Note 14 Provisions

CURRENT		
Sick Leave	17,307	71,401
Long Service Leave	463,161	457,619
	<u>480,468</u>	<u>529,020</u>
NON-CURRENT		
Long Service Leave	28,008	64,315
	<u>28,008</u>	<u>64,315</u>

Movement in carrying amounts

	Sick Leave	Long Service Leave	Total
	\$	\$	\$
Opening Balance at 1 July 2007	71,401	521,934	593,335
Additional provisions	2,970	43,385	46,355
Amounts used	(5,930)	(74,150)	(80,080)
Write Back of Provision ¹	(51,134)	-	(51,134)
Balance at 30 June 2008	<u>17,307</u>	<u>491,169</u>	<u>508,476</u>

¹Portion of provision relating to sick leave accrued prior to 15 February 1993 under the Club Employees (State) Award. This leave is no longer vesting.

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Notes to the Financial Statements For the Year Ended 30 June 2008

	2008	2007
	\$	\$
Note 15 Auditors' Remuneration		
Remuneration of the auditor of the company for:		
- Auditing the financial report	22,995	17,500
- Other services	1,005	-
	<u>24,000</u>	<u>17,500</u>

Note 16 Capital and Leasing Commitments

a) Finance Lease Commitments

The Company has entered into a finance lease agreement for the provision of a motor vehicle. The finance lease agreement is for a period of 3 years, comprising 36 equal monthly lease payments made in advance. There is a payment due at the end of the finance lease agreement which represents the estimated fair market value of the motor vehicle, which was established at the commencement of the lease.

Payable - minimum lease payments		
- no later than 12 months	17,670	29,264
- between 12 months and 5 years	-	-
Minimum lease payments	<u>17,670</u>	<u>29,264</u>
Less future finance changes	-	(2,373)
Present Value of Finance Lease Commitments	<u>17,670</u>	<u>26,891</u>

Amounts payable include a final lump sum payment of \$17,670, was paid in July 2008.

The weighted average interest impact of the finance lease agreement for the Company is 5.20%.

b) Operating Lease Commitments

The Company has entered into an operating lease agreement for the rental of poker machines and audio visual equipment. The rental agreement applies only to renting of new poker machines and audio visual equipment and the rental period is over a 3 year period, with rental instalment payments being made every quarter in advance. The rental payments are determined when new poker machines and audio visual equipment are required and are not subject to any escalation factor during the course of the rental period.

Payable - minimum lease payments		
- not later than 12 months	497,770	430,919
- between 12 months and 5 years	765,920	417,359
	<u>1,263,690</u>	<u>848,278</u>

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Notes to the Financial Statements For the Year Ended 30 June 2008

Note 16 Capital and Leasing Commitments (Cont'd)

c) Operating Expenditure Commitments

At balance date the company has entered into the following expenditure contracts:

Contract	Period	Commitment as at 30/6/08
Greens maintenance	10/3/08 – 10/3/11	598,179
Cleaning	16/3/06 – 16/3/09	233,868
Poker machine maintenance	30/5/08 – 30/5/11	277,020
Mechanical services maintenance	17/12/07 – 17/12/10	30,250
		2008
		2007
		\$
		\$

d) Capital Expenditure Commitments

Club Renovations (a)	-	1,326,218
- not later than 12 months	-	1,326,218

Note 17 Contingent Assets and Liabilities

There are no contingent liabilities not otherwise disclosed in the financial report.

The company is limited by Guarantee. If the company is wound up, the Articles of Association state that each member is required to contribute a maximum of \$2 each toward meeting any outstanding obligations of the company. At 30 June 2008 the number of members was 17,827 (2007 – 16,927).

Note 18 Directors and Executive Disclosures

Directors

The names of each member holding the position of Director of Tweed Heads Bowls Club Limited during the year ended 30 June 2008 and to the date of this report were:

Mr H R Howell (Chairman)
Mr V A Leather (Deputy Chairman)
Mr P Crerar (resigned 11 November 2007)
Mrs D Fysh
Mr P Harris
Mrs M Heydt
Mr T Kelly OAM
Mr M J Mann (appointed 11 November 2007)
Mr R Macdonald
Mr T Patton

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Notes to the Financial Statements For the Year Ended 30 June 2008

Note 19 Directors and Executive Disclosures

Total fees paid or payable, or otherwise made available in respect of the financial year, to all directors of Tweed Heads Bowls Club for the year ended 30 June 2008 were \$25,200 (2007: \$23,600).

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the organisation. Names and positions held of key management personnel in office at any time during the financial year are:

Ross Bailey	General Manager
Colin Frew	Assistant General Manager
Brad Whittaker	Executive Chef
Ken Howell	Facilities Manager
Cynthia Ryan	Finance Manager

Key management personnel were remunerated as follows:

		2008	2007
		\$	\$
Short term employee benefits	Salary	478,118	438,319
	Non cash benefits	27,733	16,321
Post employment benefits	Superannuation	62,626	52,787
Total Compensation		<u>568,477</u>	<u>507,427</u>

As noted above, honorarium fees paid to directors during the year ended 30 June 2008 totalled \$25,200 (2007 : \$23,600). These fees are not included in the above executive remuneration disclosure. There were no other transactions with key management personnel or the directors during the financial year.

Note 20 Related Party Transactions

The Directors of Tweed Heads Bowls Club Limited during the financial year were H.R. Howell, J Mann (appointed 11 November 2007), P Crerar (resigned 11 November 2007), D. Fysh, P. Harris, M. Heydt, T. Kelly (OAM), V.A. Leather, R. Macdonald, and T. Patton.

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

There were no transactions with related parties during the financial year.

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Notes to the Financial Statements For the Year Ended 30 June 2008

Note 21 Segment Reporting

Early Adoption AASB 8 Segment Reporting

Australian Accounting Standard AASB 8 "Segment Reporting" has been revised. The revised Standard applies to for-profit entities whose debt or equity instruments are traded in a public market or that files, or is in the process of filing, its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market. As a result, the revised Standard no longer applies to the Tweed Heads Bowls Club Ltd. The revised Standard applies to reporting periods commencing on or after 1 January 2009 however the directors have resolved to adopt the revised Accounting Standard effective from 1 July 2007. The result of early adoption is that the company is no longer required to disclose financial performance and position by geographic or business segments. Omnibus Standard 2007-3 makes consequential amendments to other Standards as a result of the issue of the revised AASB 1008 and the directors have also resolved to adopt this Standard effective 1 July 2007.

Note 22 Events After the Balance Sheet Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

Note 23 Company Details

The registered office and principal place of business of the Club is:

Tweed Heads Bowls Club Ltd
Florence Street
Tweed Heads NSW 2485

2008	2007
\$	\$

Note 24 Cash Flow Information

i) Reconciliation of Cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash on Hand	328,645	445,076
Cash at Bank	1,035,629	3,400,419
	<u>1,364,274</u>	<u>3,845,495</u>

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Notes to the Financial Statements For the Year Ended 30 June 2008

	2008	2007
	\$	\$
Note 24 Cash Flow Information (Cont'd)		
ii) Reconciliation of Net Cash Provided by Operating Activities to Net Profit after Income Tax		
Net Profit/(Loss) after income tax	(343,662)	307,248
Depreciation	1,318,614	1,330,827
(Profit)/Loss on sale of property, plant and equipment	(8,492)	(2,050)
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	53,270	(69,284)
(Increase)/decrease in other assets	(10,903)	7,096
(Increase)/decrease in inventories	8,186	(12,179)
(Increase)/decrease in financial assets	2	-
Increase/(decrease) in trade and other payables	494,342	(337,263)
Increase/(decrease) in provisions	(84,859)	89,964
Net cash provided by operating activities	<u>1,426,498</u>	<u>1,314,359</u>

iii) Financing Facilities

At balance date the following financing facilities existed:

Overdraft facility

Used facilities

Unused facilities

	-	-
	<u>60,000</u>	<u>60,000</u>
	<u>60,000</u>	<u>60,000</u>

Note 25 Financial Risk Management

a. Financial Risk Management Objectives, Policies and Processes

Risks arising from holding financial instruments are inherent in the company's activities, and are managed through a process of ongoing identification, measurement and monitoring. The company is exposed to credit risk, liquidity risk and market risk. The company does not have any derivative financial instruments.

Financial instruments of the company comprise cash and cash equivalents, lease liabilities and all other financial instruments such as trade debtors and creditors, which arise directly from its operations.

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

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Notes to the Financial Statements For the Year Ended 30 June 2008

Note 25 Financial Risk Management (Cont'd)

Credit risk

Credit risk represents the risk that the counterparty to the financial instruments will fail to discharge an obligation and cause the company financial loss. The maximum exposure to credit risk, excluding the value of any collateral or other company security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The company operates mainly on a cash basis. Any receivables balances are monitored on an monthly basis with the result that the company's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the company.

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The cashflow forecasts are done on a monthly basis. The company also has a 5 year capital replacement policy which incorporates the capital cashflow requirements of the company. The company's policy has been to have all capital infrastructure funded by way of internal cash generation, as opposed to the use of debt. The Boards policy is to maintain excess funds in APRA regulated investments. The cash is currently held in ANZ Bank Limited accounts.

Market risk

Market risk is the risk that the fair value or future cashflows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, and equity prices. Market risk is managed and monitored by looking at market exposures as part of business planning, and minimised by ensuring all investments are undertaken in accordance with the established investment strategies.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. Interest rate risk is managed by reviewing the maturity of term deposits and cash management accounts and prevailing interest rates on these cash deposits. For further details on interest rate risk refer to Note 25(b) and 25 (d).

Equity price risk

Equity price risk is the risk that the fair value of equities decreases as a result of a change in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market. Equity price risk exposure arises from the company's investment portfolio. The company has no material risk to equity price risk.

Currency risk

The company has no material risk to foreign currency fluctuations.

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Notes to the Financial Statements For the Year Ended 30 June 2008

Note 25 Financial Risk Management (Cont'd)

b. Financial Instrument Composition and Maturity Analysis

Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing within 1 Year		Fixed Interest Rate Maturing 1 to 5 Years		Fixed Interest Rate Maturing Over 5 Years		Non-interest Bearing		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:														
Cash and liquid assets	6.15	6.25	1,035,629	3,400,419	-	-	-	-	-	-	328,645	445,076	1,364,274	3,845,495
Financial assets held to maturity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other Receivables	-	-	-	-	-	-	-	-	-	-	92,869	146,138	92,869	146,138
Total Financial Assets	6.15	6.25	1,035,629	3,400,419	-	-	-	-	-	-	421,514	591,214	1,457,143	3,991,633
Financial Liabilities:														
Trade and other payables	-	-	-	-	-	-	-	-	-	-	1,754,661	2,632,975	1,754,661	2,632,975
Borrowings	5.20	5.20	-	-	17,670	26,891	-	-	-	-	-	-	17,670	26,891
Total Financial Liabilities	5.20	5.20	-	-	17,670	26,891	-	-	-	-	1,754,661	2,632,975	1,772,331	2,659,866

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Notes to the Financial Statements For the Year Ended 30 June 2008

Note 25 Financial Risk Management (Cont'd)

c. Net Fair Values

The aggregate net fair value of financial assets and financial liabilities, both recognised and unrecognised at the balance date are as follows:

	Total carrying amount as per the balance sheet	Aggregate net fair value	Total carrying amount as per the balance sheet	Aggregate net fair value
	2008	2008	2007	2007
	\$	\$	\$	\$
Financial Assets				
Cash and liquid assets	1,364,274	1,364,274	3,845,495	3,845,495
Trade and other receivables	92,869	92,869	146,138	146,138
TOTAL FINANCIAL ASSETS	1,457,143	1,457,143	3,991,633	3,991,663
Financial Liabilities				
Trade and other payables	1,754,661	1,754,661	2,632,975	2,632,975
Borrowings	17,670	17,670	26,891	26,891
TOTAL FINANCIAL LIABILITIES	1,772,331	1,772,331	2,659,866	2,659,866

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

Cash and liquid assets due from financial institutions:

The carrying amount approximates fair value because of their short-term to maturity or are receivable on demand.

Trade and other receivables

The carrying amount approximates fair value because of their short-term nature or are expected receivable within 30 to 60 days.

Trade and other payables

The carrying amount approximates fair value because of their short-term nature or are expected payable within 45 days.

Borrowings

The carrying amount approximates fair value because of the current nature of the liability (settled within 12 months).

d. Sensitivity analysis:

Interest rate risk

The company has performed a sensitivity analysis relating to its exposure to interest rate risk on cash at bank at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 30 June 2008, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

Tweed Heads Bowls Club Ltd

ABN: 85 001 055 901

Notes to the Financial Statements For the Year Ended 30 June 2008

Note 25 Financial Risk Management (Cont'd)

	\$
Change in profit	
— Increase in interest rate by 1%	7,786
— Decrease in interest rate by 1%	(7,786)
Change in equity	
— Increase in interest rate by 1%	7,786
— Decrease in interest rate by 1%	(7,786)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged. The overall effect is minor as with all instruments being variable, the interest increases and decreases move in tandem in similar points in time.

No sensitivity analysis has been performed for foreign exchange risk, as the company is not exposed to fluctuations in foreign exchange.

e. Capital Management

Management control the capital of the company to ensure that adequate cash flows are generated to fund its operational and capital expenditure requirements. The Board ensures that the overall risk management strategy is in line with this objective.

The Board operates under policies approved by it. Risk management policies are approved and reviewed by the Board on an annual basis. These include credit risk policies and future cash flow requirements.

The company's capital consists of financial liabilities, supported by financial assets.

Management effectively manage the company's capital by assessing the company's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the company since the previous year. The strategy of the company is to fund capital expenditure from internally generated cashflows.

The gearing ratios for the years ended 30 June 2008 and 30 June 2007 are as follows:

	2008	2007
	\$	\$
Financial liabilities	17,670	26,891
Trade and other payables	1,386,038	2,220,684
Total	1,387,708	2,247,575
Less cash and cash equivalents	1,364,274	3,845,495
Net debt	23,434	(1,597,920)
Total equity (reserves + retained earnings)	31,398,427	31,699,941
Gearing ratio	0.01%	0.00%

Tweed Heads Bowls Club Ltd

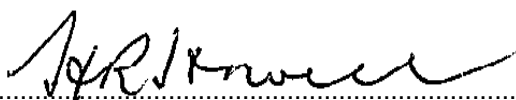
ABN: 85 001 055 901

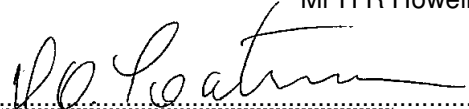
Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 32, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2008 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 H R Howell (Chairman)

Director 
Mr V A Leather (Deputy Chairman)

Dated at Tweed Heads this 22 day of September 2008.

Tweed Heads Bowls Club Ltd
Independent Auditors' Report to the Members
For the Year Ended 30 June 2008

Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report relates to the financial report of Tweed Heads Bowls Club Limited for the year ended 30 June 2008 included on Tweed Heads Bowls Club Limited's web site. The company's directors are responsible for the integrity of the Tweed Heads Bowls Club Limited's web site. We have not been engaged to report on the integrity of the Tweed Heads Bowls Club Limited's web site. The audit report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Report on the Financial Report

We have audited the accompanying financial report of Tweed Heads Bowls Club Limited (the company), which comprises the balance sheet as at 30 June 2008, the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, 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 (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls 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.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditors' judgement, 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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

As auditor, we are required to be independent of the company and free of interests which could be incompatible with integrity and objectivity. In respect of this engagement, we have followed the independence requirements set out in the Corporations Act 2001.

In addition to our statutory audit work, we were engaged to undertake other services for the company. These services are disclosed in notes to the financial statements. In our opinion and that of the company's directors, the provision of these services has not impaired our independence.

The attached Auditors' Independence Declaration has been provided to the directors as required by the Corporations Act 2001 as at the date of providing this audit opinion.

Audit Opinion

In our opinion:

- (a) the financial report of Tweed Heads Bowls Club Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Lismore, this 22 day of September 2008

**THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS**


.....
B JAMESON (Partner)
Registered Company Auditor