

The Picnic Point Bowling & Social Club Ltd

ABN 34 000 243 247

Financial Statements

For the Year Ended 30 June 2018

The Picnic Point Bowling & Social Club Ltd

ABN 34 000 243 247

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For the Year Ended 30 June 2018

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The Picnic Point Bowling & Social Club Ltd

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Directors' Report

30 June 2018

The directors present their report on The Picnic Point Bowling & Social Club Ltd for the financial year ended 30 June 2018.

1. General information

Information on directors

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

Stephen McNamara

Appointment Date	14 April 2013
Experience	Vice president 1.2 years, president 0.6 years, 2.7 years treasurer
Interest in shares and options	\$2 Guarantor
Special responsibilities	Treasurer

John Atkinson

Appointment Date	14 April 2013
Experience	Senior Vice President 2.2 years, President 2.7 years
Interest in shares and options	\$2 Guarantor
Special responsibilities	President

William Brown

Appointment Date	14 April 2013
Experience	Vice President 4.2 years
Interest in shares and options	\$2 Guarantor
Special responsibilities	Vice President

Michael Furniss

Appointment Date	27 April 2014
Experience	Vice President 1.4 years, appointed Secretary 28 October 2015
Interest in shares and options	\$2 Guarantor
Special responsibilities	Secretary

Robert Crocker

Appointment Date	25 October 2015
Experience	Vice President 1.5 years
Interest in shares and options	\$2 Guarantor
Special responsibilities	Vice President

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

Company secretary

The person who held the position of Company's Secretary at the end of the financial year was Michael Furniss, who holds a liquor license on behalf of the club.

The Picnic Point Bowling & Social Club Ltd

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Directors' Report

30 June 2018

1. General information

Review of operations

The operating result for the current year, amounted to a surplus/(deficit) of \$ 26,493(2017: (\$72,429)).

	2018	2017
	\$	\$
Poker Machine Revenue	291,671	400,364
Bar Net Profit	118,347	85,966
Overhead Operating Expenses	635,411	668,694

Significant changes in state of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Principal activities

The principal activity of The Picnic Point Bowling & Social Club Ltd during the financial year was the provision of competitive and social lawn bowls.

No significant changes in the nature of the Company's activity occurred during the financial year.

Short term objectives

The Company's short term objectives are to:

- provide a social club for members and guests with the usual facilities of the club
- promote the game of bowls to both children and adults
- provide a meeting place for community groups

Long term objectives

The Company's long term objectives are to:

- maintain and upgrade facilities to attract new members both bowling and non-bowling to enjoy the facilities of the club
- increase involvement in community groups

The Picnic Point Bowling & Social Club Ltd

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Directors' Report

30 June 2018

1. General information

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- attracting a new demographic of people with improved facilities as well as maintaining the 'small friendly club' atmosphere
- encourage the participation of bowling members
- attracting new bowlers and retaining existing bowlers members by offering the best playing facilities possible
- marketing the advantages of membership of the club
- striving to provide a high standard of customer service
- pursuing new marketing initiatives
- offering members and their guests excellent food and a friendly atmosphere

Members' guarantee

The Picnic Point Bowling & Social Club Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 2 for members that are corporations and \$ 2 for all other members, subject to the provisions of the company's constitution.

Directors benefits

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit by reason of a contract between the Company and himself or with a firm of which he has a substantial financial interest.

2. Other items

Events after the reporting date

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

Future developments and results

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.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

The Picnic Point Bowling & Social Club Ltd

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Directors' Report

30 June 2018

2. Other items

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Meetings of directors

During the financial year, 25 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Stephen McNamara	25	23
John Atkinson	25	22
William Brown	25	22
Michael Furniss	25	4
Robert Crocker	25	22

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of The Picnic Point Bowling & Social Club Ltd.

Directors' indemnity premiums have been provided for and paid by the Company during the year for Directors' and Officers' Liability Insurance. The Insurance is in respect of legal liability for damages and legal costs to a maximum of \$5,000,000 arising from claims made by reason of any omissions or acts (other than dishonesty) by them, whilst acting as Directors or Officers of the Company. No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been an auditor of the company.

Proceedings on behalf of company

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 purposes 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.

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Directors' Report

30 June 2018

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2018 has been received and can be found on page 6 of the financial report.

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

Director:
John Atkinson

Director:
William Brown

Dated 10 July 2019

The Picnic Point Bowling & Social Club Ltd

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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of The Picnic Point Bowling & Social Club Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, 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.

FELSERS
Chartered Accountants

Vindran Vengadasalam
Partner

10 July 2019

Sydney

The Picnic Point Bowling & Social Club Ltd

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2018

		2018	2017
	Note	\$	\$
Revenue from sale of goods	4	735,998	621,886
Revenue from rendering of services	4	323,380	433,785
Other revenue	4	303,145	160,890
Total revenue		1,362,523	1,216,561
Cost of sales		(337,642)	(316,478)
Employee benefits expenses	6	(294,136)	(239,943)
Depreciation and amortisation expense	6	(24,103)	(22,202)
Director's expenses and honorariums		(9,999)	(15,760)
Occupancy costs		(73,457)	(55,906)
Entertainment, marketing and promotional costs		(12,874)	(14,933)
Administrative expenses		(583,819)	(623,768)
Net surplus / (deficit) for the year		26,493	(72,429)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		26,493	(72,429)

The accompanying notes form part of these financial statements.

The Picnic Point Bowling & Social Club Ltd

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Statement of Financial Position

30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	115,115	161,814
Trade and other receivables	8	1,924	-
Inventories	9	23,173	23,775
Other assets	10	14,916	14,417
Financial assets	11	105,772	121,548
TOTAL CURRENT ASSETS		<u>260,900</u>	<u>321,554</u>
NON-CURRENT ASSETS			
Property, plant and equipment	12	1,499,890	1,400,719
TOTAL NON-CURRENT ASSETS		<u>1,499,890</u>	<u>1,400,719</u>
TOTAL ASSETS		<u>1,760,790</u>	<u>1,722,273</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	55,128	43,104
TOTAL CURRENT LIABILITIES		<u>55,128</u>	<u>43,104</u>
TOTAL LIABILITIES		<u>55,128</u>	<u>43,104</u>
NET ASSETS		<u>1,705,662</u>	<u>1,679,169</u>
EQUITY			
Reserves	14	1,092,000	1,092,000
Retained earnings		613,662	587,169
TOTAL EQUITY		<u>1,705,662</u>	<u>1,679,169</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 30 June 2018

2018

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2017	587,169	1,092,000	1,679,169
Net surplus / (deficit) for the year	26,493	-	26,493
Balance at 30 June 2018	613,662	1,092,000	1,705,662

2017

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2016	659,598	1,092,000	1,751,598
Net surplus / (deficit) for the year	(72,429)	-	(72,429)
Balance at 30 June 2017	587,169	1,092,000	1,679,169

The Picnic Point Bowling & Social Club Ltd

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Statement of Cash Flows For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,450,571	1,321,360
Payments to suppliers and employees	(1,390,085)	(1,379,952)
Interest received	313	768
Net cash provided by/(used in) operating activities	18 <u>60,799</u>	<u>(57,824)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(123,274)</u>	<u>(12,377)</u>
Net cash used by investing activities	<u>(123,274)</u>	<u>(12,377)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	(62,475)	(70,201)
Cash and cash equivalents at beginning of year	<u>283,362</u>	<u>353,563</u>
Cash and cash equivalents at end of financial year	18(a) <u><u>220,887</u></u>	<u><u>283,362</u></u>

The accompanying notes form part of these financial statements.

The Picnic Point Bowling & Social Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2018

The financial report covers The Picnic Point Bowling & Social Club Ltd as an individual entity. The Picnic Point Bowling & Social Club Ltd is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of The Picnic Point Bowling & Social Club Ltd is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Company is exempt from income tax under in accordance with a directive from the Australian Taxation Office.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(c) 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.

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the company to have a valuation every three years, with annual appraisals being made by the directors. In accordance with this policy, freehold land was revalued for the year ended 2006. This director's valuation was made by all directors in office at the date of the valuation. The latest valuation from the Valuer General at 24 July 2014 shows a value of \$1,100,000.

Plant and equipment

Plant and equipment are measured on a cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts. Fixed assets that cost less than \$500 each are written off in full in the year of purchase.

The Picnic Point Bowling & Social Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(c) Property, plant and equipment

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Company, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Buildings	2%
Plant and Equipment	10-40%
Greens equipment	15%
Furniture, Fixtures and Fittings	10-25%
Poker machines	40%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(d) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(e) Leases

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

The Picnic Point Bowling & Social Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(f) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(i) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Interest revenue

Interest is recognised using the effective interest method.

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Notes to the Financial Statements For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(i) Revenue and other income

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

(j) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(k) Poker Machine Entitlement

The Club currently holds 15 Poker Machine Licenses which have an estimated value of \$12,500 for each entitlement, being an estimated value of \$187,500.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgments during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

The Picnic Point Bowling & Social Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2018

3 Critical Accounting Estimates and Judgments

These estimates and judgments are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

The Picnic Point Bowling & Social Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2018

4 Revenue and Other Income

	2018	2017
	\$	\$
Sales revenue		
- Bar sales	735,998	621,886
- Poker Machine Revenue	291,671	400,364
- Competitions	-	242
- Green fees	16,298	18,748
- Membership fees	6,525	6,116
- Food sales	666	1,009
- Function revenue	8,220	7,306
	<u>1,059,378</u>	<u>1,055,671</u>
Other revenue		
- ATM Rebates	6,813	3,310
- Commissions	49,327	71,574
- Grants and donations	14,300	1,075
- Bowls	1,310	867
- Raffle	55,079	61,914
- Miscellaneous Income	40,041	21,382
- Interest income	313	768
- Lease income	38,485	-
- Mens and Womens Club	97,477	-
	<u>303,145</u>	<u>160,890</u>
Total Revenue	<u>1,362,523</u>	<u>1,216,561</u>

5 Key Management Personnel Disclosures

The total remuneration paid to key management personnel in the form of honorariums of the Company is \$ 9,999 (2017: \$ 15,760).

6 Result for the Year

The result for the year includes the following specific expenses:

	2018	2017
	\$	\$
Depreciation and amortisation expense	24,103	22,202
Employee benefits expense		
- Salaries and wages	273,375	219,905
- Contributions to defined contribution superannuation fund	20,761	20,038
	<u>294,136</u>	<u>239,943</u>

The Picnic Point Bowling & Social Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2018

7 Cash and Cash Equivalents

Cash at bank

	2018	2017
	\$	\$
Registered Club	32,084	75,175
Women's Bowling Club	11,230	10,606
Men's Bowling Club	34,466	12,272
Club Keno Account	3,871	6,796
TAB Account	2,960	14,307
Keno Clearing Account	1,393	(395)
TAB Clearing Account	1,609	1,544
ATM Clearing Account	-	5,360

Cash on hand

Registered club float	10,100	14,357
Club Keno Account	300	300
ATM Float	6,360	11,300
Petty cash float	2,321	1,892
Merchant Clearing Account	121	-
Poker machine float	6,000	6,000
TAB Float	2,000	2,000
Bar Float	300	300
	<u>115,115</u>	<u>161,814</u>

8 Trade and Other Receivables

	2018	2017
	\$	\$
CURRENT		
Other debtor	1,924	-
	<u>1,924</u>	<u>-</u>

9 Inventories

	2018	2017
	\$	\$
CURRENT		
At cost:		
Bar stock	23,173	23,775
	<u>23,173</u>	<u>23,775</u>

10 Other Assets

Prepayments	<u>14,916</u>	<u>14,417</u>
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The Picnic Point Bowling & Social Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2018

11 Financial Assets

	2018	2017
	\$	\$
CURRENT		
Bank term deposit	42,651	75,441
Men's Club term deposit	40,121	40,121
Women's and Main Club joint term deposit	23,000	5,986
	<u>105,772</u>	<u>121,548</u>

12 Property, plant and equipment

	2018	2017
	\$	\$
Freehold land		
Directors valuation 2006	1,100,000	1,100,000
Additions at cost	51,256	51,256
	<u>1,151,256</u>	<u>1,151,256</u>
Buildings		
At cost	245,860	216,533
Accumulated depreciation	(97,234)	(93,819)
Plant and equipment		
At cost	101,406	78,443
Accumulated depreciation	(63,858)	(60,914)
	<u>37,548</u>	<u>17,529</u>
Furniture, fixtures and fittings		
At cost	406,977	335,991
Accumulated depreciation	(271,613)	(260,312)
	<u>135,364</u>	<u>75,679</u>
Greens equipment		
At cost	132,066	132,066
Accumulated depreciation	(108,362)	(104,179)
	<u>23,704</u>	<u>27,887</u>
Poker Machines		
At cost	187,298	187,298
Accumulated depreciation	(183,906)	(181,644)
	<u>3,392</u>	<u>5,654</u>
Total property, plant and equipment	<u><u>1,499,890</u></u>	<u><u>1,400,719</u></u>

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Notes to the Financial Statements For the Year Ended 30 June 2018

12 Property, plant and equipment

(a) Movements in Carrying Amounts

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

	Freehold Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
Year ended 30 June 2018				
Balance at the beginning of the year	1,151,256	122,714	126,749	1,400,719
Additions	-	29,327	93,949	123,276
Depreciation expense	-	(3,415)	(20,690)	(24,105)
Balance at the end of the year	1,151,256	148,626	200,008	1,499,890

Land and buildings of \$1,275,770 consist of core assets as defined under the Registered Club Act.

Plant and Equipment of \$152,269 consists of non-core assets under the Registered Club Act.

13 Trade and Other Payables

	2018	2017
	\$	\$
Current		
Trade creditors	48,474	35,777
Accrued expenses	11,820	12,776
GST holding account	(5,166)	(5,449)
	55,128	43,104

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

14 Reserves

Asset revaluation reserve - revaluation of land

	2018	2017
	\$	\$
Opening balance	1,092,000	1,092,000
Movement during the year	-	-
Total	1,092,000	1,092,000

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Notes to the Financial Statements For the Year Ended 30 June 2018

15 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2018 (30 June 2017:None).

16 Capital and leasing commitments

There were no material commitments for expenditure of a capital nature as at 30 June 2018.

17 Events after the end of the Reporting Period

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.

18 Cash Flow Information

(a) Reconciliation of cash

	2018	2017
	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash in hand and at bank	115,115	161,814
Financial assets	105,772	121,548
	<u>220,887</u>	<u>283,362</u>

(b) Reconciliation of result for the year to cashflows from operating activities

	2018	2017
	\$	\$
Reconciliation of net income to net cash provided by operating activities:		
Profit for the year	26,493	(72,429)
Non-cash flows in profit:		
- depreciation	24,103	22,202
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(1,924)	-
- (increase)/decrease in other assets	(499)	(14,417)
- (increase)/decrease in inventories	602	(1,789)
- increase/(decrease) in trade and other payables	12,024	8,609
Cashflows from operations	<u>60,799</u>	<u>(57,824)</u>

The Picnic Point Bowling & Social Club Ltd

ABN 34 000 243 247

Notes to the Financial Statements For the Year Ended 30 June 2018

19 Financial Risk Management

The association's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

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:

Financial Assets

	2018	2017
	\$	\$
Cash and cash equivalents	115,115	161,814
Trade and Other Receivables	1,924	-
Financial Assets	105,772	121,548
	<u>222,811</u>	<u>283,362</u>

Financial Liabilities

	2018	2017
	\$	\$
Trade and other payables	55,128	43,104

20 Related party transactions

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

21 Statutory Information

The registered office & principal place of business of the company is:

The Picnic Point Bowling & Social Club Ltd
124 Lambeth St
Panania NSW 2213

22 Registered Clubs Act Reporting Requirement

A separate schedule is provided in the report, in respect to the reporting requirements under the Registered Clubs Act.

The Picnic Point Bowling & Social Club Ltd

ABN 34 000 243 247

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 21, 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 2018 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
William Brown

Director
John Atkinson

Dated 10 July 2019

The Picnic Point Bowling & Social Club Ltd

Independent Audit Report to the members of The Picnic Point Bowling & Social Club Ltd

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of The Picnic Point Bowling & Social Club Ltd (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Company 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 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

The prior year audit report was disclaimed as we were unable to obtain sufficient appropriate audit evidence in support of the accuracy and completeness of any revenue and expense transactions in relation to the Men's Club Working Account and in turn prevented us from forming an opinion.

As such, we were unable to satisfy ourselves by alternative means covering the opening balance of retained earnings in the statement of changes in equity and consolidated statement of financial position and comparative figures. Whilst we were satisfied with the material accuracy of amounts recorded in the statement of financial position as at 30 June 2018, the impact on the current period financial performance and cash flows of any potential opening balance adjustments means we were unable to determine whether any adjustments to these amounts were necessary.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

FELSERS
Chartered Accountants

Vindran Vengadasalam
Partner

Sydney
10 July 2019

The Picnic Point Bowling & Social Club Ltd

ABN 34 000 243 247

Compilation Report

30 June 2018

COMPILATION REPORT TO THE PICNIC POINT BOWLING & SOCIAL CLUB LTD

We have compiled the accompanying income and expenditure statement and trading account of The Picnic Point Bowls and Social Club Ltd for the year ended 30 June 2018. The specific purpose for which the income and expenditure statement and trading accounts have been prepared is to provide financial information to the company's directors and members.

The Responsibility of the Directors

The directors of The Picnic Point Bowling & Social Club Ltd are solely responsible for the information contained in the general purpose financial statements and the reliability, accuracy and completeness of the information.

Our Responsibility

On the basis of the information provided by the directors we have compiled the accompanying general purpose financial statements in accordance with the financial reporting framework and APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with . We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The general purpose financial statements were compiled for the benefit of the directors who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the general purpose financial statements.

ACCRU FELSERS

Chartered Accountants

10 July 2019

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
INCOME		
Net profits from poker machines	225,882	333,168
Net profit from bar trading	118,347	85,966
ATM rebates	6,650	2,956
Bowls	1,310	868
Commission - cigarette	277	697
Commission - Keno	38,631	62,668
Commission - others	136	8,112
Commission - TAB	10,282	96
Competition	-	242
Donations	14,300	1,075
Food sales	666	1,009
Function revenue	-	7,306
Green fees	16,298	18,748
Interest income	313	768
Lease income	38,485	-
Mens and Womens Club Income	97,478	-
Raffle	63,299	61,914
Subscriptions and entrance fees	6,525	6,116
Sundries	23,025	4,556
TOTAL INCOME	<u>661,904</u>	<u>596,265</u>

This Income and Expenditure Account does not form part of the audited financial report and should be read in conjunction with the attached compilation report.

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
EXPENSES		
Affiliation and competition fees	3,358	1,418
Apparel	2,492	-
Auditor's remuneration fees	4,292	9,770
Badge draw	8,395	5,745
Bank and Eftpos fees	504	61
Bowls	2,127	-
Catering expenses	-	4,168
Cleaning and laundry	43,804	34,756
Club vouchers	42,193	29,571
Computer support and software	5,124	4,781
Contract green keepers	107,923	110,434
Depreciation	21,841	18,433
Donations	118	1,624
Electricity and gas expenses	56,675	43,845
Greens fees	17,757	1,929
Greens maintenance	1,900	564
Honorariums	9,999	15,760
Insurance	26,798	11,267
Keno expenses	2,674	4,393
Kitchen purchases	1,102	3,089
Legal Fees	-	12,074
Membership fees	4,807	3,615
Mens Club and Womens Club Expenses	45,456	-
Printing, postage, stationery and advertising	4,070	4,382
Prizes and trophies	37,915	34,251
Promotions and entertainment expenses	25,201	24,623
Raffle expenses	2,925	2,876
Rates and taxes	24,796	20,075
Repairs and Maintenance	103,266	214,956
Security expenses	4,175	3,329
Sundries expenses	(19,847)	5,989
Superannuation	20,761	20,038
TAB and Sky channel purchases	19,361	17,186
Telephone	3,431	2,611
Travelling expenses	18	1,081
TOTAL EXPENSES	635,411	668,694
OPERATING SURPLUS / (DEFICIT)	26,493	(72,429)

This Income and Expenditure Account does not form part of the audited financial report and should be read in conjunction with the attached compilation report.

**BAR TRADING ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
Sales	735,998	621,886
Cost of Sales:		
Opening stock	23,775	23,775
Purchases	337,040	316,477
	<u>360,815</u>	<u>340,252</u>
Less: Closing stock	23,173	23,775
	<u>337,642</u>	<u>316,477</u>
GROSS PROFIT	398,356	305,409
	54.12%	49.11%
Direct Expenses		
Stocktake	1,804	(741)
Glasses and trays	4,830	279
Wages	273,375	219,905
	<u>280,009</u>	<u>219,443</u>
NET SURPLUS	118,347	85,966
	29.71%	28.15%

**POKER MACHINE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2018**

INCOME		
Net Clearances	291,671	400,363
Poker machine rebate	17,180	17,180
	<u>308,851</u>	<u>417,543</u>
EXPENSES		
Data Monitoring	7,949	7,750
Depreciation	2,262	3,769
Repairs and Maintenance	72,758	72,856
	<u>82,969</u>	<u>84,375</u>
NET SURPLUS	225,882	333,168

This Income and Expenditure Account does not form part of the audited financial report and should be read in conjunction with the attached compilation report.