

The Picnic Point Bowling & Social Club Ltd

ABN 34 000 243 247

Financial Statements

For the Year Ended 30 June 2019

The Picnic Point Bowling & Social Club Ltd

ABN 34 000 243 247

Contents

For the Year Ended 30 June 2019

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The Picnic Point Bowling & Social Club Ltd

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Directors' Report 30 June 2019

The directors present their report on The Picnic Point Bowling & Social Club Ltd for the financial year ended 30 June 2019.

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, 3.7 years treasurer
Interest in shares and options	\$2 Guarantor
Special responsibilities	Treasurer
Resignation Date	30/06/2019 (resigned as company director)
Appointment Date	01/07/2019 (appointed as company secretary)

John Atkinson

Appointment Date	14 April 2013
Experience	Senior Vice President 2.2 years, President 3.7 years
Interest in shares and options	\$2 Guarantor
Special responsibilities	President

William Brown

Appointment Date	14 April 2013
Experience	Vice President 5.2 years
Interest in shares and options	\$2 Guarantor
Special responsibilities	Vice President

Robert Crocker

Appointment Date	25 October 2015
Experience	Vice President 2.5 years
Interest in shares and options	\$2 Guarantor
Special responsibilities	Vice President

Trevor John Tindall

Appointment Date	28 October 2018
Experience	No previous board experience
Interest in shares and options	\$2 Guarantor
Special responsibilities	None

Jason Sheldrick

Appointment Date	28 October 2018
Experience	Board Member 2 years with another entity
Interest in shares and options	\$2 Guarantor
Special responsibilities	None

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

The Picnic Point Bowling & Social Club Ltd

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Directors' Report

30 June 2019

1. General information

Company secretary

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

Review of operations

The operating result for the current year, amounted to a deficit of \$ 25,465(2018: surplus of \$26,493).

	2019	2018
	\$	\$
Poker Machine Revenue	270,731	291,671
Bar Net Profit	42,031	118,347
Overhead Operating Expenses	757,996	635,411

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 2019

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 2019

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, 16 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	16	14
Jason Sheldrick	9	9
Trevor John Tindall	16	16
John Atkinson	16	15
William Brown	16	12
Robert Crocker	16	15

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 of any part of those proceedings.

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

The Picnic Point Bowling & Social Club Ltd

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Directors' Report

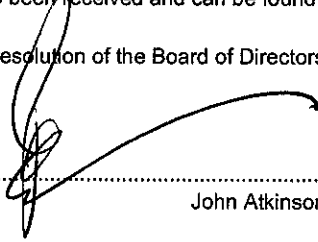
30 June 2019

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 2019 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 12 November 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 2019, 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

12 November 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 2019

		2019	2018
	Note	\$	\$
Revenue from sale of goods	4	669,903	735,998
Revenue from rendering of services	4	300,571	323,380
Other revenue	4	480,185	303,145
Total revenue		1,450,659	1,362,523
Cost of sales		(340,140)	(337,642)
Employee benefits expenses	6	(316,925)	(294,136)
Depreciation and amortisation expense	6	(95,468)	(24,103)
Director's expenses and honorariums		(8,490)	(9,999)
Occupancy costs		(114,657)	(73,457)
Entertainment, marketing and promotional costs		(12,720)	(12,874)
Finance costs	6	(7,027)	-
Administrative expenses		(580,697)	(583,819)
Net (deficit) / surplus for the year		(25,465)	26,493
Items that will not be reclassified subsequently to profit or loss			
Revaluation of land		760,000	-
Other comprehensive income for the year, net of tax		760,000	-
Total comprehensive income for the year		734,535	26,493

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 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	169,141	157,766
Trade and other receivables	8	-	1,924
Inventories	9	16,041	23,173
Other assets	10	16,667	14,916
Financial assets	11	40,799	63,121
TOTAL CURRENT ASSETS		<u>242,648</u>	<u>260,900</u>
NON-CURRENT ASSETS			
Property, plant and equipment	12	3,231,391	1,499,890
TOTAL NON-CURRENT ASSETS		<u>3,231,391</u>	<u>1,499,890</u>
TOTAL ASSETS		<u>3,474,039</u>	<u>1,760,790</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	60,436	55,128
Borrowings	14	42,732	-
Deferred Income	15	80,000	-
TOTAL CURRENT LIABILITIES		<u>183,168</u>	<u>55,128</u>
Borrowings	14	237,346	-
Deferred Income	15	613,328	-
TOTAL NON-CURRENT LIABILITIES		<u>850,674</u>	<u>-</u>
TOTAL LIABILITIES		<u>1,033,842</u>	<u>55,128</u>
NET ASSETS		<u>2,440,197</u>	<u>1,705,662</u>
EQUITY			
Reserves	16	1,852,000	1,092,000
Retained earnings		588,197	613,662
TOTAL EQUITY		<u>2,440,197</u>	<u>1,705,662</u>

The accompanying notes form part of these financial statements.

The Picnic Point Bowling & Social Club Ltd ABN 34 000 243 247

Statement of Changes in Equity For the Year Ended 30 June 2019

2019

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2018	613,662	1,092,000	1,705,662
Net surplus / (deficit) for the year	(25,465)	-	(25,465)
Revaluation of land	-	760,000	760,000
Balance at 30 June 2019	588,197	1,852,000	2,440,197

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

The accompanying notes form part of these financial statements.

The Picnic Point Bowling & Social Club Ltd

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Statement of Cash Flows For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,539,165	1,450,571
Payments to suppliers and employees	(701,491)	(1,390,085)
Interest received	936	313
Interest paid	(7,027)	-
Net cash provided by operating activities	<u>20 831,583</u>	<u>60,799</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(1,122,608)</u>	<u>(123,274)</u>
Net cash used by investing activities	<u>(1,122,608)</u>	<u>(123,274)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	<u>280,078</u>	-
Net cash provided by financing activities	<u>280,078</u>	-
Net increase/(decrease) in cash and cash equivalents held	(10,947)	(62,475)
Cash and cash equivalents at beginning of year	<u>220,887</u>	<u>283,362</u>
Cash and cash equivalents at end of financial year	<u>20(a) 209,940</u>	<u>220,887</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 2019

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 1 July 2018 shows a value of \$1,860,000.

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 2019

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	2.5%
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.

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Notes to the Financial Statements

For the Year Ended 30 June 2019

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.

The Picnic Point Bowling & Social Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2019

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.

Revenue from contracts with customers

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(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.

The Picnic Point Bowling & Social Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(j) Financial instruments

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.

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 2019

4 Revenue and Other Income

	2019	2018
	\$	\$
Sales revenue		
- Bar sales	669,903	735,998
- Poker Machine Revenue	270,371	291,671
- Green fees	16,181	16,298
- Membership fees	-	6,525
- Food sales	954	666
- Function revenue	13,065	8,220
	<u>970,474</u>	<u>1,059,378</u>
Other revenue		
- ATM Rebates	8,075	6,813
- Commissions	41,895	49,327
- Grants and donations	72,970	14,300
- Bowls	5,956	1,310
- Raffle	59,145	55,079
- Miscellaneous Income	15,919	40,041
- Interest income	936	313
- Lease income	222,127	38,485
- Mens and Womens Club	53,162	97,477
	<u>480,185</u>	<u>303,145</u>
Total Revenue	<u>1,450,659</u>	<u>1,362,523</u>

5 Key Management Personnel Disclosures

The total remuneration paid to key management personnel in the form of honorariums of the Company is \$ 16,480 (2018: \$ 9,999).

6 Result for the Year

The result for the year includes the following specific expenses:

	2019	2018
	\$	\$
Depreciation and amortisation expense	95,468	24,103
Interest paid	7,027	-
Employee benefits expense		
- Salaries and wages	278,565	273,375
- Contributions to defined contribution superannuation fund	38,360	20,761
	<u>316,925</u>	<u>294,136</u>

The Picnic Point Bowling & Social Club Ltd

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**Notes to the Financial Statements
For the Year Ended 30 June 2019**

7 Cash and Cash Equivalents

Cash at bank

	2019	2018
	\$	\$
Registered Club	85,630	32,084
Women's Bowling Club	7,864	11,230
Men's Bowling Club	20,936	34,466
Club Keno Account	1,869	3,871
TAB Account	5,183	2,960
Unity Bank Savings Account	500	-
Keno Clearing Account	1,393	1,393
Unity Bank Account	5,926	-
TAB Clearing Account	1,609	1,609
Westpac Childcare Account	21	42,651
ATM Clearing Account	12,350	-

Cash on hand

Registered club float	3,973	10,100
Club Keno Account	300	300
ATM Float	11,360	6,360
Merchant Clearing Account	106	121
Petty cash float	1,821	2,321
Poker machine float	6,000	6,000
TAB Float	2,000	2,000
Bar Float	300	300
	<u>169,141</u>	<u>157,766</u>

8 Trade and Other Receivables

	2019	2018
	\$	\$
CURRENT		
Other debtor	-	1,924
	<u>-</u>	<u>1,924</u>

9 Inventories

	2019	2018
	\$	\$
CURRENT		
At cost:		
Bar stock	16,041	23,173
	<u>16,041</u>	<u>23,173</u>

The Picnic Point Bowling & Social Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2019

10 Other Assets

Prepayments	<u>16,667</u>	<u>14,916</u>
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11 Financial Assets

	2019	2018
	\$	\$
CURRENT		
Men's Club term deposit	40,799	40,121
Women's and Main Club joint term deposit	-	23,000
	<u>40,799</u>	<u>63,121</u>

12 Property, plant and equipment

	2019	2018
	\$	\$
Freehold land		
At fair value	1,860,000	1,100,000
Additions at cost	51,256	51,256
	<u>1,911,256</u>	<u>1,151,256</u>
Buildings		
At cost	1,199,248	245,860
Accumulated depreciation	(127,814)	(97,234)
Plant and equipment		
At cost	79,338	101,406
Accumulated depreciation	(47,579)	(63,858)
	<u>31,759</u>	<u>37,548</u>
Furniture, fixtures and fittings		
At cost	360,518	406,977
Accumulated depreciation	(167,714)	(271,613)
	<u>192,804</u>	<u>135,364</u>
Greens equipment		
At cost	147,360	132,066
Accumulated depreciation	(125,257)	(108,362)
	<u>22,103</u>	<u>23,704</u>
Poker Machines		
At cost	187,298	187,298
Accumulated depreciation	(185,263)	(183,906)
	<u>2,035</u>	<u>3,392</u>
Total property, plant and equipment	<u>3,231,391</u>	<u>1,499,890</u>

The Picnic Point Bowling & Social Club Ltd

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**Notes to the Financial Statements
For the Year Ended 30 June 2019**

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 2019				
Balance at the beginning of the year	1,151,256	148,626	200,008	1,499,890
Additions	-	986,567	136,041	1,122,608
Disposals	-	(29,991)	(25,648)	(55,639)
Depreciation expense	-	(33,769)	(61,699)	(95,468)
Revaluation increase	760,000	-	-	760,000
Balance at the end of the year	1,911,256	1,071,433	248,702	3,231,391

Land and buildings of \$2,982,689 consist of core assets as defined under the Registered Club Act.

Plant and Equipment of \$248,702 consists of non-core assets under the Registered Club Act.

13 Trade and Other Payables

	2019	2018
	\$	\$
Current		
Trade creditors	-	48,474
Accrued expenses	29,757	11,820
GST holding account	30,679	(5,166)
	<u>60,436</u>	<u>55,128</u>

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 Borrowings

	2019	2018
	\$	\$
CURRENT		
Secured liabilities:		
Bank loans	<u>42,732</u>	-
NON-CURRENT		
Secured liabilities:		
Bank loan	<u>237,346</u>	-

The Picnic Point Bowling & Social Club Ltd

ABN 34 000 243 247

Notes to the Financial Statements For the Year Ended 30 June 2019

15 Other Liabilities

	2019	2018
	\$	\$
CURRENT		
Deferred income	80,000	-
NON-CURRENT		
Deferred income	613,328	-

16 Reserves

Asset revaluation reserve - revaluation of land

	2019	2018
	\$	\$
Opening balance	1,092,000	1,092,000
Movement during the year	760,000	-
Total	1,852,000	1,092,000

17 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2019 (30 June 2018:None).

18 Capital and leasing commitments

There were no material commitments for expenditure of a capital nature as at 30 June 2019.

19 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.

20 Cash Flow Information

(a) Reconciliation of cash

	2019	2018
	\$	\$
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	7 169,141	157,766
Financial assets	11 40,799	63,121
	209,940	220,887

The Picnic Point Bowling & Social Club Ltd

ABN 34 000 243 247

Notes to the Financial Statements For the Year Ended 30 June 2019

20 Cash Flow Information

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

Reconciliation of net income to net cash provided by operating activities:

	2019	2018
	\$	\$
(Loss) / Profit for the year	(25,465)	26,493
Non-cash flows in profit:		
- depreciation	95,468	24,103
- net loss on disposal of property, plant and equipment	55,639	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	1,924	(1,924)
- (increase)/decrease in other assets	(1,751)	(499)
- (increase)/decrease in inventories	7,132	602
- increase/(decrease) in trade and other payables	5,308	12,024
- increase/(decrease) in other liabilities	693,328	-
Cashflows from operations	<u>831,583</u>	<u>60,799</u>

21 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

	2019	2018
	\$	\$
Cash and cash equivalents	169,141	157,766
Financial Assets	40,799	63,121
Trade and other receivables	-	1,924
	<u>209,940</u>	<u>222,811</u>

Financial Liabilities

	2019	2018
	\$	\$
Trade and other payables	60,436	55,128
Borrowings	237,346	-
Total	<u>297,782</u>	<u>55,128</u>

22 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.

The Picnic Point Bowling & Social Club Ltd

ABN 34 000 243 247

**Notes to the Financial Statements
For the Year Ended 30 June 2019**

23 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

24 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

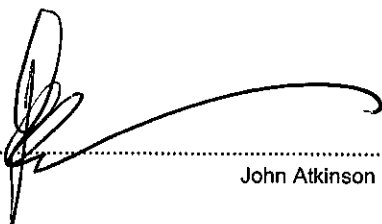
ABN 34 000 243 247

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 22, 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 2019 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 
John Atkinson

Director 
William Brown

Dated 12 November 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 2019, 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 2019 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
12 November 2019

The Picnic Point Bowling & Social Club Ltd

ABN 34 000 243 247

Compilation Report

30 June 2019

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 Bowling and Social Club Ltd for the year ended 30 June 2019 based on the information you have provided. The financial statements comprise the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the income and expenditure statement and trading accounts have been prepared is set out in Note 1.

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, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of the information provided by the directors we have compiled the accompanying income and expenditure statement and trading accounts in accordance with the basis of accounting standards adopted and APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to assist management in the preparation and presentation of the income and expenditure statement and trading accounts on the basis of accounting described in Note 1 to the financial statements. 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 the income and expenditure statement and trading accounts. Accordingly, we do not express an audit opinion or a review conclusion on the income and expenditure statement or trading accounts.

The income and expenditure statement and trading accounts 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 income and expenditure statement and trading accounts.

ACCRU FELSERS
Chartered Accountants

12 November 2019

The Picnic Point Bowling & Social Club Ltd
A.B.N. 34 000 243 247

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
INCOME		
Net profits from poker machines	204,696	225,882
Net profit from bar trading	42,031	118,347
ATM rebates	8,075	6,650
Bowls	5,956	1,310
Commission - cigarette	177	277
Commission - Keno	35,652	38,631
Commission - others	-	136
Commission - TAB	6,066	10,282
Food sales	954	666
Function revenue	13,065	8,220
Grants and donations	72,970	14,300
Green fees	16,181	16,298
Interest income	936	313
Lease income	222,127	38,485
Mens and Womens Club Income	53,162	97,478
Raffle	59,145	55,079
Subscriptions and entrance fees	-	6,525
Sundries	72,559	23,025
TOTAL INCOME	813,752	661,904

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.

The Picnic Point Bowling & Social Club Ltd
A.B.N. 34 000 243 247

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
EXPENSES		
Affiliation and competition fees	9,170	3,358
Apparel	3,215	2,492
Auditor's remuneration fees	16,399	4,292
Badge draw	5,364	8,395
Bank and Eftpos fees	2,485	504
Bowls	-	2,127
Catering expenses	8,410	-
Cleaning and laundry	51,114	43,804
Club vouchers	1,516	42,193
Computer support and software	13,692	5,124
Contract green keepers	110,000	107,923
Depreciation	94,111	21,841
Donations	-	118
Electricity and gas expenses	89,440	56,675
Greens fees	4,200	17,757
Greens maintenance	10,887	1,900
Honorariums	8,490	9,999
Insurance	32,549	26,798
Interest expenses	7,027	-
Keno expenses	2,116	2,674
Kitchen purchases	3,364	1,102
Legal Fees	2,765	-
Membership fees	6,043	4,807
Mens Club and Womens Club Expenses	45,540	45,456
Printing, postage, stationery and advertising	7,086	4,070
Prizes and trophies	7,818	37,915
Promotions and entertainment expenses	18,068	25,201
Raffle expenses	27,299	2,925
Rates and taxes	25,217	24,796
Repairs and Maintenance	62,055	103,266
Security expenses	3,363	4,175
Sundries expenses	41,126	(19,847)
Superannuation	38,360	20,761
TAB and Sky channel purchases	21,318	19,361
Telephone	3,886	3,431
Travelling expenses	-	18
Write-off of fixed assets	55,724	-
TOTAL EXPENSES	839,217	635,411
OPERATING SURPLUS / (DEFICIT)	(25,465)	26,493

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 2019**

	2019	2018
	\$	\$
Sales	669,903	735,998
Cost of Sales:		
Opening stock	23,173	23,775
Purchases	340,140	337,040
	<u>363,313</u>	<u>360,815</u>
Less: Closing stock	23,173	23,173
	<u>340,140</u>	<u>337,642</u>
GROSS PROFIT	329,763	398,356
	49.23%	54.12%
Direct Expenses		
Stocktake	9,167	1,804
Glasses and trays	-	4,830
Wages	278,565	273,375
	<u>287,732</u>	<u>280,009</u>
NET SURPLUS	<u>42,031</u>	<u>118,347</u>
	12.75%	29.71%

**POKER MACHINE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2019**

INCOME		
Net Clearances	270,371	291,671
Poker machine rebate	17,180	17,180
	<u>287,551</u>	<u>308,851</u>
EXPENSES		
Data Monitoring	8,078	7,949
Depreciation	1,357	2,262
Repairs and Maintenance	73,420	72,758
	<u>82,855</u>	<u>82,969</u>
NET SURPLUS	<u>204,696</u>	<u>225,882</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.