

The Picnic Point Bowling & Social Club Ltd

ABN 34 000 243 247

Financial Statements

For the Year Ended 30 June 2020

The Picnic Point Bowling & Social Club Ltd

ABN 34 000 243 247

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For the Year Ended 30 June 2020

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The Picnic Point Bowling & Social Club Ltd

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Directors' Report

30 June 2020

The directors present their report on The Picnic Point Bowling & Social Club Ltd for the financial year ended 30 June 2020.

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:

Benedict Joseph Seedsman

Appointment Date	24 November 2019
Experience	No previous Club board experience
Interest in shares and options	\$2 Guarantor
Special responsibilities	None

John Atkinson

Appointment Date	14 April 2013
Experience	Senior Vice President 2.2 years, President 4.7 years
Interest in shares and options	\$2 Guarantor
Special responsibilities	President

William Brown

Appointment Date	14 April 2013
Experience	Vice President 6.2 years
Interest in shares and options	\$2 Guarantor
Special responsibilities	Vice President

Robert Crocker

Appointment Date	25 October 2015
Experience	Vice President 3.5 years
Interest in shares and options	\$2 Guarantor
Special responsibilities	None

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.

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Directors' Report

30 June 2020

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.

Review of operations

The operating result for the current year, amounted to a profit of \$ 109,818(2019: loss of \$25,465).

	2020	2019
	\$	\$
Poker Machine Revenue	269,005	270,731
Bar Net Profit	41,278	42,031
Overhead Operating Expenses	632,018	757,996

The outbreak and the response of governments in dealing with the COVID-19 pandemic is interfering with general activity levels within the community, the economy and the operations of the Company's business. Specifically, the lockdown measures enforced in March 2020 resulted in significant disruption to the Company's core business operations, as the Club was forced to shutdown for the majority of March, April and May 2020.

The scale and duration of these developments remain uncertain as at the date of this report, however they will have an impact on earnings, cash flow and financial conditions. It is not possible to estimate the impact of the outbreak's near term and longer effects of the varying efforts of governments to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of the outbreak on the Company at this time.

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

The Picnic Point Bowling & Social Club Ltd

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Directors' Report

30 June 2020

1. General information

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

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.

The Picnic Point Bowling & Social Club Ltd

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Directors' Report

30 June 2020

2. Other items

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.

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, 12 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
Jason Sheldrick	12	12
Trevor John Tindall	12	12
John Atkinson	12	11
William Brown	12	11
Robert Crocker	12	11
Benedict Joseph Seedsman	7	7

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.

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Directors' Report

30 June 2020

Proceedings on behalf of company

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

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 2020 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 27 October 2020

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 2020, 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

27 October 2020

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 2020

		2020	2019
	Note	\$	\$
Revenue from sale of goods	5	574,709	669,903
Revenue from rendering of services	5	289,926	300,571
Other revenue	5	443,912	480,185
Total revenue		1,308,547	1,450,659
Cost of sales		(250,989)	(340,140)
Employee benefits expenses	7	(297,250)	(316,925)
Depreciation and amortisation expense	7	(70,204)	(95,468)
Director's expenses and honorariums		(18,175)	(8,490)
Occupancy costs		(65,904)	(114,657)
Entertainment, marketing and promotional costs		(5,380)	(12,720)
Finance costs	7	(18,266)	(7,027)
Administrative expenses		(472,561)	(580,697)
Net (loss) / profit for the year		109,818	(25,465)
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		109,818	734,535

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 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	132,943	169,141
Trade and other receivables	9	11,234	-
Inventories	10	14,867	16,041
Other assets	11	19,271	16,667
Financial assets	12	41,320	40,799
TOTAL CURRENT ASSETS		<u>219,635</u>	<u>242,648</u>
NON-CURRENT ASSETS			
Property, plant and equipment	13	3,210,700	3,231,391
Right-of-use asset	14	63,306	-
TOTAL NON-CURRENT ASSETS		<u>3,274,006</u>	<u>3,231,391</u>
TOTAL ASSETS		<u>3,493,641</u>	<u>3,474,039</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	37,617	60,436
Borrowings	16	42,732	42,732
Deferred Income	17	80,004	80,000
Lease liability	18	24,845	-
TOTAL CURRENT LIABILITIES		<u>185,198</u>	<u>183,168</u>
Borrowings	16	190,801	237,346
Deferred Income	17	533,320	613,328
Lease liability	18	34,307	-
TOTAL NON-CURRENT LIABILITIES		<u>758,428</u>	<u>850,674</u>
TOTAL LIABILITIES		<u>943,626</u>	<u>1,033,842</u>
NET ASSETS		<u>2,550,015</u>	<u>2,440,197</u>
EQUITY			
Reserves	19	1,852,000	1,852,000
Retained earnings		698,015	588,197
TOTAL EQUITY		<u>2,550,015</u>	<u>2,440,197</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2020

2020

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2019	588,197	1,852,000	2,440,197
Net profit / (loss) for the year	109,818	-	109,818
Balance at 30 June 2020	<u>698,015</u>	<u>1,852,000</u>	<u>2,550,015</u>

2019

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

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Statement of Cash Flows For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,382,158	1,539,165
Payments to suppliers and employees	(1,298,689)	(701,491)
Interest received	1,617	936
Interest paid	(16,901)	(7,027)
Net cash provided by operating activities	23 <u>68,185</u>	<u>831,583</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(39,798)</u>	(1,122,608)
Net cash used by investing activities	<u>(39,798)</u>	<u>(1,122,608)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	(46,545)	280,078
Payment of finance lease liabilities	<u>(17,519)</u>	-
Net cash provided by financing activities	<u>(64,064)</u>	<u>280,078</u>
Net increase/(decrease) in cash and cash equivalents held	(35,677)	(10,947)
Cash and cash equivalents at beginning of year	<u>209,940</u>	<u>220,887</u>
Cash and cash equivalents at end of financial year	23(a) <u><u>174,263</u></u>	<u><u>209,940</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 2020

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 Change in Accounting Policy

Leases - Adoption of AASB 16

The Company has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

Impact of adoption of AASB

The impact of adopting AASB 16 is described below:

Company as a lessee

Under AASB 117, the Company assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Company or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Company has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition, the Company has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Company's incremental borrowing rate at 1 July 2019;

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Notes to the Financial Statements For the Year Ended 30 June 2020

2 Change in Accounting Policy

Impact of adoption of AASB

- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- the right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset;
- excluded leases with an expiry date prior to 30 June 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same value as the leased asset and liability on 30 June 2019.

Financial statement impact of adoption of AASB 16

The Company has recognised right-of-use assets and lease liabilities of \$75,307 at 1 July 2019, for leases previously classified as finance leases.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 3.00%.

	\$
Operating lease commitments at 30 June 2019	78,840
Discounted using the incremental borrowing rate at 1 July 2019	<u>75,307</u>
Lease liabilities recognised at 1 July 2019	<u><u>75,307</u></u>

3 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.

The Picnic Point Bowling & Social Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(c) Property, plant and equipment

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.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(d) Impairment of non-financial assets

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

For comparative year

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.

For current year

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(e) Leases

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(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.

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Notes to the Financial Statements For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(i) Revenue and other income

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.

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.

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Notes to the Financial Statements For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(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.

4 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.

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Notes to the Financial Statements For the Year Ended 30 June 2020

5 Revenue and Other Income

	2020	2019
	\$	\$
Sales revenue		
- Bar sales	574,709	669,903
- Poker Machine Revenue	269,005	270,371
- Green fees	14,085	16,181
- Food sales	667	954
- Function revenue	6,169	13,065
	<u>864,635</u>	<u>970,474</u>
Other revenue		
- ATM Rebates	5,482	6,037
- ASIC and ATO rebates	44,811	2,038
- Commissions	38,659	41,895
- Grants and donations	38,655	72,970
- Bowls	1,496	5,956
- Raffle	42,855	59,145
- Miscellaneous Income	17,614	15,919
- Interest income	1,617	936
- Lease income	202,649	222,127
- Mens and Womens Club	50,074	53,162
	<u>443,912</u>	<u>480,185</u>
Total Revenue	<u>1,308,547</u>	<u>1,450,659</u>

6 Key Management Personnel Disclosures

The total remuneration paid to key management personnel in the form of honorariums of the Company is \$ 18,175 (2019: \$ 16,480).

7 Result for the Year

The result for the year includes the following specific expenses:

	2020	2019
	\$	\$
Depreciation expense - property, plant and equipment	58,203	95,468
Depreciation expense - right-of-use asset	12,001	-
	<u>70,204</u>	<u>95,468</u>
Interest paid	16,901	7,027
Interest expense on lease liability	1,365	-
	<u>18,266</u>	<u>7,027</u>
Employee benefits expense		
- Salaries and wages	271,461	278,565
- Contributions to defined contribution superannuation fund	25,789	38,360
	<u>297,250</u>	<u>316,925</u>

The Picnic Point Bowling & Social Club Ltd

ABN 34 000 243 247

Notes to the Financial Statements For the Year Ended 30 June 2020

8 Cash and Cash Equivalents

Cash at bank

	2020	2019
	\$	\$
Registered Club	37,346	85,630
Women's Bowling Club	7,469	7,864
Men's Bowling Club	11,713	20,936
Club Keno Account	3,198	1,869
TAB Account	3,345	5,183
Unity Bank Savings Account	8,240	500
Keno Clearing Account	1,393	1,393
Unity Bank Account	14,311	5,926
TAB Clearing Account	1,609	1,609
Westpac Childcare Account	-	21
ATM Clearing Account	1,620	12,350
Debit card	200	-
Men's Access Account	450	-

Cash on hand

Registered club float	7,099	3,973
Club Keno Account	300	300
ATM Float	22,460	11,360
Merchant Clearing Account	175	106
Petty cash float	2,500	1,821
Poker machine float	7,000	6,000
TAB Float	1,244	2,000
Bar Float	600	300
Women's Club Clearing Account	171	-
Badge Draw Funds	500	-
	132,943	169,141

9 Trade and Other Receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	11,234	-

10 Inventories

	2020	2019
	\$	\$
CURRENT		
At cost:		
Bar stock	14,867	16,041

The Picnic Point Bowling & Social Club Ltd

ABN 34 000 243 247

Notes to the Financial Statements For the Year Ended 30 June 2020

11 Other Assets

	2020	2019
	\$	\$
Prepayments	19,271	16,667

12 Financial Assets

	2020	2019
	\$	\$
CURRENT		
Men's Club Term Deposit	41,320	40,799

13 Property, plant and equipment

	2020	2019
	\$	\$
Freehold land		
At fair value	1,860,000	1,860,000
Additions at cost	51,256	51,256
	<u>1,911,256</u>	<u>1,911,256</u>
Buildings		
At cost	1,215,203	1,199,248
Accumulated depreciation	(165,442)	(127,814)
	<u>1,049,761</u>	<u>1,071,434</u>
Plant and equipment		
At cost	58,425	79,338
Accumulated depreciation	(34,145)	(47,579)
	<u>24,280</u>	<u>31,759</u>
Furniture, fixtures and fittings		
At cost	347,361	360,518
Accumulated depreciation	(173,721)	(167,714)
	<u>173,640</u>	<u>192,804</u>
Greens equipment		
At cost	187,012	147,360
Accumulated depreciation	(136,609)	(125,257)
	<u>50,403</u>	<u>22,103</u>
Poker Machines		
At cost	160,984	187,298
Accumulated depreciation	(159,624)	(185,263)
	<u>1,360</u>	<u>2,035</u>
Total property, plant and equipment	<u>3,210,700</u>	<u>3,231,391</u>

The Picnic Point Bowling & Social Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2020

13 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 2020				
Balance at the beginning of the year	1,911,256	1,071,433	248,702	3,231,391
Additions	-	-	39,800	39,800
Disposals	-	-	(2,288)	(2,288)
Transfers	-	4,840	(4,840)	-
Depreciation expense	-	(26,512)	(31,691)	(58,203)
Balance at the end of the year	1,911,256	1,049,761	249,683	3,210,700

Land and buildings of \$2,961,017 consist of core assets as defined under the Registered Club Act.

Plant and Equipment of \$249,683 consists of non-core assets under the Registered Club Act.

14 Right-of-use asset

	2020	2019
	\$	\$
As at 1 July 2019	75,307	-
Accumulated depreciation	(12,001)	-
As at 30 June 2020	63,306	-

The Company has two existing leases in relation to its poker machines, which cover access licenses for a period of 36 months, expiring 25 October 2022.

All other leases repayments, which are not capitalised for the purposes of AASB 16 are expensed as incurred. The total short-term lease expense for the year-ended 30 June 2020 was \$9,060.

15 Trade and Other Payables

	2020	2019
	\$	\$
Current		
Accrued expenses	34,052	29,757
GST holding account	3,565	30,679
	37,617	60,436

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.

The Picnic Point Bowling & Social Club Ltd

ABN 34 000 243 247

Notes to the Financial Statements For the Year Ended 30 June 2020

16 Borrowings

	2020	2019
	\$	\$
CURRENT		
Secured liabilities:		
Bank loan	<u>42,732</u>	<u>42,732</u>
NON-CURRENT		
Secured liabilities:		
Bank loan	<u>190,801</u>	<u>237,346</u>

17 Other Liabilities

	2020	2019
	\$	\$
CURRENT		
Deferred income	<u>80,004</u>	<u>80,000</u>
NON-CURRENT		
Deferred income	<u>533,320</u>	<u>613,328</u>

18 Lease liability

	2020	2019
	\$	\$
CURRENT	24,845	-
NON-CURRENT	<u>34,307</u>	<u>-</u>
	<u>59,152</u>	<u>-</u>

19 Reserves

Asset revaluation reserve - revaluation of land

	2020	2019
	\$	\$
Opening balance	1,092,000	1,092,000
Movement during the year	-	760,000
Total	<u>1,092,000</u>	<u>1,852,000</u>

20 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2020 (30 June 2019:None).

The Picnic Point Bowling & Social Club Ltd

ABN 34 000 243 247

Notes to the Financial Statements For the Year Ended 30 June 2020

21 Capital and leasing commitments

There were no material commitments for expenditure of a capital nature as at 30 June 2020.

22 Events after the end of the Reporting Period

The financial statements have been prepared based on conditions existing at 30 June 2020 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the measures implemented in response to the pandemic are ongoing and dynamic, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to the financial statements as at 30 June 2020 for the further impacts in relation to COVID 19.

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.

23 Cash Flow Information

(a) Reconciliation of cash

		2020	2019
		\$	\$
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	8	132,943	169,141
Financial assets	12	41,320	40,799
		<u>174,263</u>	<u>209,940</u>

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

		2020	2019
		\$	\$
Reconciliation of net income to net cash provided by operating activities:			
(Loss) / Profit for the year		109,818	(25,465)
Non-cash flows in profit:			
- depreciation		58,203	95,468
- depreciation on right of use asset		12,001	-
- net loss on disposal of property, plant and equipment		2,288	55,639
- interest expense on lease liability		1,365	-
Changes in assets and liabilities:			
- (increase)/decrease in trade and other receivables		(11,235)	1,924
- (increase)/decrease in other assets		(2,604)	(1,751)
- (increase)/decrease in inventories		1,174	7,132
- increase/(decrease) in trade and other payables		(22,821)	5,308
- increase/(decrease) in other liabilities		(80,004)	693,328
Cashflows from operations		<u>68,185</u>	<u>831,583</u>

The Picnic Point Bowling & Social Club Ltd

ABN 34 000 243 247

Notes to the Financial Statements For the Year Ended 30 June 2020

24 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

	2020	2019
	\$	\$
Cash and cash equivalents	132,943	169,141
Financial assets	41,320	40,799
Trade and other receivables	11,234	-
	<u>185,497</u>	<u>209,940</u>

Financial Liabilities

	2020	2019
	\$	\$
Trade and other payables	37,617	60,436
Borrowings	233,533	280,078
Total	<u>271,150</u>	<u>340,514</u>

25 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.

26 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

27 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 24, 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 2020 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 27 October 2020

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

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 2020, 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, 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 2020 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our 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 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
27 October 2020

The Picnic Point Bowling & Social Club Ltd

ABN 34 000 243 247

Compilation Report 30 June 2020

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 2020 based on the information you have provided. The financial statements comprise the statement of financial position as at 30 June 2020, 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

27 October 2020

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
INCOME		
Net profits from poker machines	252,080	204,696
Net profit from bar trading	49,584	42,031
ATM rebates	50,293	8,075
Bowls	1,496	5,956
Commission - cigarette	180	177
Commission - Keno	33,716	35,652
Commission - TAB	4,763	6,066
Food sales	667	954
Function revenue	6,169	13,065
Grants and donations	38,655	72,970
Green fees	14,085	16,181
Interest income	1,617	936
Lease income	202,649	222,127
Mens and Womens Club Income	50,074	53,162
Raffle	42,855	59,145
Sundries	5,991	72,559
TOTAL INCOME	<u>754,874</u>	<u>813,752</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 2020

	2020 \$	2019 \$
EXPENSES		
Affiliation and competition fees	-	9,170
Apparel	557	3,215
Auditor's remuneration fees	23,477	16,399
Badge draw	5,500	5,364
Bank and Eftpos fees	2,495	2,485
Catering expenses	6,217	8,410
Cleaning and laundry	51,849	51,114
Club vouchers	4,424	1,516
Computer support and software	7,753	13,692
Contract green keepers	97,307	110,000
Depreciation	59,349	94,111
Donations	930	-
Electricity and gas expenses	42,645	89,440
Greens fees	5,178	4,200
Greens maintenance	64,717	10,887
Honorariums	18,175	8,490
Insurance	38,558	32,549
Interest expenses	19,631	7,027
Keno expenses	1,753	2,116
Kitchen purchases	-	3,364
Legal Fees	-	2,765
Membership fees	14,242	6,043
Mens Club and Womens Club Expenses	15,689	45,540
Printing, postage, stationery and advertising	4,710	7,086
Prizes and trophies	-	7,818
Promotions and entertainment expenses	18,269	18,068
Raffle expenses	30,365	27,299
Rates and taxes	23,559	25,217
Repairs and Maintenance	24,227	62,055
Security expenses	4,786	3,363
Sundries expenses	14,138	41,126
Superannuation	25,789	38,360
TAB and Sky channel purchases	14,525	21,318
Telephone	4,159	3,886
Travelling expenses	83	-
Write-off of fixed assets	-	55,724
TOTAL EXPENSES	645,056	839,217
OPERATING SURPLUS / (DEFICIT)	109,818	(25,465)

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 2020**

	2020	2019
	\$	\$
Sales	574,709	669,903
Cost of Sales:		
Opening stock	23,173	23,173
Purchases	242,683	340,140
	<u>265,856</u>	<u>363,313</u>
Less: Closing stock	14,867	23,173
	<u>250,989</u>	<u>340,140</u>
 GROSS PROFIT	 323,720	 329,763
	56.33%	49.23%
Direct Expenses		
Stocktake	2,675	9,167
Glasses and trays	-	-
Wages	271,461	278,565
	<u>274,136</u>	<u>287,732</u>
 NET SURPLUS	 <u>49,584</u>	 <u>42,031</u>
	15.32%	12.75%

**POKER MACHINE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2020**

INCOME		
Net Clearances	269,005	270,371
Poker machine rebate	17,180	17,180
	<u>286,185</u>	<u>287,551</u>
EXPENSES		
Data Monitoring	9,990	8,078
Depreciation	10,855	1,357
Short term lease expense	9,060	65,307
Repairs and Maintenance	4,200	8,113
	<u>34,105</u>	<u>82,855</u>
 NET SURPLUS	 <u>252,080</u>	 <u>204,696</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.