

# **Woonona Bowling & Recreation Club Ltd**

**ABN 80 001 072 073**

## **Financial Statements**

**For the Year Ended 30 June 2018**

# Woonona Bowling & Recreation Club Ltd

ABN 80 001 072 073

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## Financial Statements

For the Year Ended 30 June 2018

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# Woonona Bowling & Recreation Club Ltd

ABN 80 001 072 073

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## Directors' Report

30 June 2018

Your directors present their report on Woonona Bowling & Recreation Club Ltd for the financial year ended 30 June 2018.

### Information on directors

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

Name	Position	Occupation	Appointed/resigned
P Webb	Chairman	Retired	
T Johnson	Director	Company Director	
D Tully	Director	Facilities Management	
A Mangles	Treasurer	Sales Representative	
J Smede	Director	Retired	
M Appleton	Director	Retired	
G Carver	Director	Retired	Resigned 8 October 2017
K Rootsey	Director	Retired	Appointed 27 November 2017
J Fryday	Director	Police Officer	Appointed 11 December 2017

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

### Review of operations

The result of the Company amounted to a loss of \$ 203,887 (2017: loss of \$72,190).

### Principal activities

The principal activities of Woonona Bowling & Recreation Club Ltd during the financial year were to maintain and conduct a Bowling Club for the accommodation of the members of the Club, to promote the game of Bowls and to encourage social activities between the members of the Club.

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

### Short term objectives

The Company's short term objectives are to provide a venue where members and visitors can enjoy the game of bowls in a relaxed and friendly environment.

### Long term objectives

The Company's long term objectives are are not only to promote and encourage further development in the game of bowls, but as well remain a viable and profitable establishment for years to come so the venue can look to provide members with new services and amenities.

# Woonona Bowling & Recreation Club Ltd

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## Directors' Report

30 June 2018

### Strategy for achieving the objectives

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

- implement cost cutting measures to areas that are deemed non-value added; and
- member drives to increase the Company's membership base.

### Performance measures

The Company assesses its performance in terms of its achievement of strategic and financial objectives with reference to:

- the quality of the service and facilities provided to members;
- the ability to generate strong cash flows from its operating activities;
- the trading and overall financial result; and
- the stability of the balance sheet with respect to the Company's liquidity and the totals levels of debt.

### Members guarantee

The Woonona Bowling & Recreation 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, subject to the provisions of the Company's constitution.

At 30 June 2018 the collective liability of members was \$ 2,770 (2017: \$ 3,118).

# Woonona Bowling & Recreation Club Ltd

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## Directors' Report

30 June 2018

### Meetings of directors

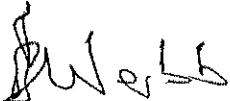
During the financial year, 15 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
P Webb	15	14
T Johnson	15	14
D Tully	15	13
A Mangles	15	15
J Smede	15	13
M Appleton	15	12
G Carver	4	4
K Rootsey	7	7
J Fryday	5	5

### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2018 has been received and can be found on page 4 of the financial report.

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



P Webb  
Chairman

Wollongong

4 October 2018



**Daley & Co**  
chartered accountants

*Integrated Financial Solutions*

**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001  
to the Directors of Woonona Bowling & Recreation Club Ltd**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, there have been:

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

*Daley & Co*  
Daley & Co  
Chartered Accountants

*Stephen Milgate*  
Stephen Milgate  
Partner

Wollongong

04 October 2018

Liability limited by a scheme approved under Professional Standards Legislation

# Woonona Bowling & Recreation Club Ltd

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## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
Revenue	4	1,451,848	1,485,145
Other revenue	4	45,208	45,231
Cost of sales		(463,021)	(445,950)
Clubhouse operation expense		(321,391)	(321,842)
Employee benefits expense		(524,817)	(525,292)
Member expenses		(132,046)	(146,024)
Sponsorship and donations		(28,915)	(35,836)
Depreciation and amortisation expense	10	(142,437)	(136,263)
Finance costs		(9,852)	(101)
Other operating expenses		(78,464)	(61,258)
Gain on revaluation of investment property	11	-	70,000
<b>Profit/(loss) for the year</b>		<b>(203,887)</b>	<b>(72,190)</b>
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Net gain on revaluation of land		-	560,000
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>560,000</b>
<b>Total comprehensive income for the year</b>		<b>(203,887)</b>	<b>487,810</b>

The accompanying notes form part of these financial statements.

# Woonona Bowling & Recreation Club Ltd

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## Balance Sheet

As at 30 June 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	332,812	341,680
Trade and other receivables	7	5,000	6,768
Inventories		34,561	40,346
Other financial assets	8	-	380,480
Other assets	9	15,756	17,809
<b>TOTAL CURRENT ASSETS</b>		<b>388,129</b>	<b>787,083</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	3,144,322	2,758,394
Investment property	11	720,000	720,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,864,322</b>	<b>3,478,394</b>
<b>TOTAL ASSETS</b>		<b>4,252,451</b>	<b>4,265,477</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	70,796	121,593
Borrowings	13	1,389	-
Employee benefits	14	100,286	104,989
<b>TOTAL CURRENT LIABILITIES</b>		<b>172,471</b>	<b>226,582</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13	248,611	-
Employee benefits	14	1,780	5,419
<b>TOTAL LIABILITIES</b>		<b>422,862</b>	<b>232,001</b>
<b>NET ASSETS</b>		<b>3,829,589</b>	<b>4,033,476</b>
<b>EQUITY</b>			
Reserves	20	1,913,581	1,913,581
Retained earnings		1,916,008	2,119,895
<b>TOTAL EQUITY</b>		<b>3,829,589</b>	<b>4,033,476</b>

The accompanying notes form part of these financial statements.



# Woonona Bowling & Recreation Club Ltd

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## Statement of Changes in Equity

For the Year Ended 30 June 2018

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2017	2,119,895	1,913,581	4,033,476
Result for the year	(203,887)	-	(203,887)
<b>Balance at 30 June 2018</b>	<b>1,916,008</b>	<b>1,913,581</b>	<b>3,829,589</b>
Balance at 1 July 2016	2,192,085	1,353,581	3,545,666
Result for the year	(72,190)	-	(72,190)
Revaluation increment (decrement)	-	560,000	560,000
<b>Balance at 30 June 2017</b>	<b>2,119,895</b>	<b>1,913,581</b>	<b>4,033,476</b>

The accompanying notes form part of these financial statements.

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# Woonona Bowling & Recreation Club Ltd

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## Statement of Cash Flows

For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	1,631,164	1,673,400
Payments to suppliers and employees	(1,738,552)	(1,690,508)
Interest received	6,255	11,314
Finance costs	(9,852)	-
Net cash (used by)/provided by operating activities	<u>(110,985)</u>	<u>(5,794)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for property, plant and equipment	(528,364)	(182,695)
Redemption of/(payments) for held-to-maturity investments	380,480	188,253
Net cash used by investing activities	<u>(147,884)</u>	<u>5,558</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	250,000	-
Net cash used by financing activities	<u>250,000</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	(8,869)	(236)
Cash and cash equivalents at beginning of year	341,681	341,917
Cash and cash equivalents at end of financial year	6 <u>332,812</u>	<u>341,681</u>

The accompanying notes form part of these financial statements.

# Woonona Bowling & Recreation Club Ltd

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## Notes to the Financial Statements

### For the Year Ended 30 June 2018

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

The functional and presentation currency of Woonona Bowling & Recreation 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) 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 from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

##### Donations

Donations and bequests are recognised as revenue when received.

# Woonona Bowling & Recreation Club Ltd

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### Interest revenue

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

##### Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

##### Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the period of membership.

#### (b) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

#### (c) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (d) Leases

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

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

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.

# Woonona Bowling & Recreation Club Ltd

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

#### (e) 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 the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. 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.

#### (f) Property, plant and equipment

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

Under the cost model, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of costs of dismantling and restoring the asset, where applicable.

Under the revaluation model, assets are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

#### Land and buildings

Land is measured using the revaluation model.

#### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on either a straight-line or diminishing value basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

# Woonona Bowling & Recreation Club Ltd

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

#### (f) Property, plant and equipment

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

Fixed asset class	Depreciation rate
Buildings	2.5 - 5%
Plant and equipment	9 - 50%
Office equipment	9 - 50%
Poker machines	13 - 40%

#### (g) 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).

##### *Financial Assets*

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

# Woonona Bowling & Recreation Club Ltd

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

#### (g) Financial instruments

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

#### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

#### *Financial liabilities*

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

# Woonona Bowling & Recreation Club Ltd

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

#### (g) Financial instruments

##### *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.

#### (h) 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 this 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.



# Woonona Bowling & Recreation Club Ltd

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

#### (i) 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.

#### (j) 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 balance sheet.

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.

#### (k) Investment property

Investment property is held to generate long term rental yields and capital growth.

Investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the statement of profit or loss and other comprehensive income as other income/expenses.

# Woonona Bowling & Recreation Club Ltd

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 3 Critical Accounting Estimates and Judgments

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

These estimates and judgements 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.

The significant estimates and judgements made have been described below.

#### **Key judgments - investment property**

The directors have assessed the non-core land and buildings owned by the Club to be an investment property as it is being held to generate long term rental yields and capital growth.

#### **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.

#### **Key estimates - provisions**

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

#### **Key estimates - receivables**

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

# Woonona Bowling & Recreation Club Ltd

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 4 Revenue and Other Income

	2018	2017
	\$	\$
<i>Revenue from continuing operations</i>		
- Bar sales	760,547	778,825
- Poker machine revenue	421,546	439,687
- Poker machine GST rebate	17,180	17,180
- Raffle income	100,372	102,941
- TAB commission (net)	4,054	2,877
- Commissions income	14,683	14,380
- Keno commissions	19,065	18,353
- Member subscriptions	28,238	31,894
- Other operating income	4,861	4,850
- Bowls income	57,387	60,123
- Green fees	23,915	14,035
	<u>1,451,848</u>	<u>1,485,145</u>
<i>Other revenue</i>		
- Interest received	6,255	11,314
- Rental income	38,513	35,554
- Net gain/(loss) on disposal of assets	440	(4,944)
- Donations	-	3,307
	<u>45,208</u>	<u>45,231</u>
<b>Total Revenue</b>	<u><b>1,497,056</b></u>	<u><b>1,530,376</b></u>

# Woonona Bowling & Recreation Club Ltd

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 5 Result for the Year

#### Expenses

	2018	2017
	\$	\$
Superannuation contributions	42,013	42,476

### 6 Cash and Cash Equivalents

Cash on hand	56,804	57,230
Cash at bank	276,008	284,450
	<u>332,812</u>	<u>341,680</u>

### 7 Trade and Other Receivables

Other receivables	<u>5,000</u>	<u>6,768</u>
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The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

### 8 Other Financial Assets

Held-to-maturity financial assets	<u>-</u>	<u>380,480</u>
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### 9 Other non-financial assets

Prepayments	<u>15,756</u>	<u>17,809</u>
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# Woonona Bowling & Recreation Club Ltd

ABN 80 001 072 073

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 10 Property, Plant and Equipment

	2018	2017
	\$	\$
Land - Clubhouse - at directors' valuation	2,060,000	2,060,000
Buildings		
At cost	1,282,929	799,468
Accumulated depreciation	(547,235)	(483,089)
Total buildings	<u>735,694</u>	<u>316,379</u>
Total land and buildings	<u>2,795,694</u>	<u>2,376,379</u>
Plant and equipment		
At cost	698,806	653,902
Accumulated depreciation	(512,850)	(477,587)
Total plant and equipment	<u>185,956</u>	<u>176,315</u>
Poker machines		
At cost	551,266	551,266
Accumulated depreciation	(388,594)	(347,926)
Total poker machines	<u>162,672</u>	<u>203,340</u>
Office equipment		
At cost	19,272	19,272
Accumulated depreciation	(19,272)	(16,912)
Total office equipment	<u>-</u>	<u>2,360</u>
<b>Total property, plant and equipment</b>	<u><b>3,144,322</b></u>	<u><b>2,758,394</b></u>

# Woonona Bowling & Recreation Club Ltd

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 10 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:

	Land and buildings	Plant and equipment	Poker machines	Office equipment	Total
	\$	\$	\$	\$	\$
Balance at the beginning of year	2,376,379	176,315	203,340	2,360	2,758,394
Additions	483,461	44,904	-	-	528,365
Disposals - written down value	-	-	-	-	-
Depreciation expense	(64,146)	(35,263)	(40,668)	(2,360)	(142,437)
<b>Balance at 30 June 2018</b>	<b>2,795,694</b>	<b>185,956</b>	<b>162,672</b>	<b>-</b>	<b>3,144,322</b>

A valuation was performed on the Company's land at 30 June 2017 by independent valuers on the basis of open market value in an arms length transaction based on similar properties. No indicators of impairment were noted. At the end of each reporting period, the directors update their assessment of the fair value of each instrument, taking into account the most recent independent valuation.

#### Core and Non-Core Property

As required under section 41J of the Registered Clubs Act 1976, the Club is required to specify the core property and non-core properties owned as at the end of the financial year. Accordingly, the Directors considers as core property the licensed premises from which the Club operates at Greta Street, Woonona, including all freehold land referred to in the title deed of the main licenses premises site.

The investment property at note 11 is not considered to be a core property of the Club given that it is not the defined premises of the Club, nor any facility provided by the Club for the use of its members and their guests, nor any other property declared, by a resolution passed by a majority of the members present at a general meeting of the ordinary members of the Club, to be core property of the Club.

### 11 Investment Property

	2018	2017
	\$	\$
Balance at beginning of year	720,000	650,000
Fair value adjustments	-	70,000
<b>Balance at end of year</b>	<b>720,000</b>	<b>720,000</b>

# Woonona Bowling & Recreation Club Ltd

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 11 Investment Property

The Company's investment property is carried at fair value, as determined with reference to relevant independent sales and market advice sought by the Directors which have been considered to be a reliable assessment of fair value.

### 12 Trade and Other Payables

	2018	2017
	\$	\$
Trade payables	21,736	27,020
GST payable/(receivable)	(3,829)	15,167
Subscriptions in advance	17,164	17,370
Other payables	35,725	62,036
	<u>70,796</u>	<u>121,593</u>

### 13 Borrowings

#### CURRENT

##### Secured liabilities:

##### Bank loans

1,389 -

#### NON-CURRENT

##### Secured liabilities:

##### Bank loans

248,611 -

### Securities pledged

These borrowings are secured by:

- a registered mortgage over the investment property at note 11; and
- a general security agreement over all present and after acquired property.

# Woonona Bowling & Recreation Club Ltd

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 14 Employee Benefits

	Note	2018 \$	2017 \$
CURRENT			
Provision for employee benefits		57,510	61,654
Long service leave		42,776	43,335
		<u>100,286</u>	<u>104,989</u>
NON-CURRENT			
Long service leave		1,780	5,419
		<u>1,780</u>	<u>5,419</u>

### 15 Financial Risk Management

The main risks Woonona Bowling & Recreation Club Ltd is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Company'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

Cash and cash equivalents	6	332,812	341,680
Trade and other receivables	7	5,000	6,768
Held-to-maturity investments	8	-	380,480
<b>Total financial assets</b>		<u>337,812</u>	<u>728,928</u>

#### Financial Liabilities

Financial liabilities at amortised cost			
Trade and other payables	12	53,632	104,223
Borrowings	13	250,000	-
<b>Total financial liabilities</b>		<u>303,632</u>	<u>104,223</u>



# Woonona Bowling & Recreation Club Ltd

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 15 Financial Risk Management

#### Net fair values

#### Fair value estimation

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded.

### 16 Interests of Key Management Personnel

The total remuneration paid to key management personnel of the Company is \$47,433 (2017: \$ 78,184).

### 17 Contingent Liabilities and Contingent Assets

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

### 18 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.

### 19 Events after the end of the Reporting Period

The financial report was authorised for issue on 4 October 2018 by the Board of Directors.

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.

# Woonona Bowling & Recreation Club Ltd

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 20 Reserves

#### Asset revaluation reserve

The asset revaluation reserve records realised gains on revaluation of property, plant and equipment recorded at fair value.

# Woonona Bowling & Recreation Club Ltd

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## Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 24, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirement; and
  - b. give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



P Webb  
Chairman

Wollongong

04 October 2018

**Independent Audit Report to the members of Woonona Bowling & Recreation Club Ltd**

**Report on the Audit of the Financial Report**

**Opinion**

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

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information is the directors report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**Independent Audit Report to the members of Woonona Bowling & Recreation Club Ltd**

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**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 - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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 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 judgement and maintain professional scepticism 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.

**Independent Audit Report to the members of Woonona Bowling & Recreation Club Ltd**

- 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.

  
Daley & Co  
Chartered Accountants

  
Stephen Migate  
Partner

Wollongong  
04 October 2018