

# **Marks Point Bowling Club Limited**

**ABN 73 966 516 577**

**Annual Report - 30 June 2016**

**Marks Point Bowling Club Limited**

**Contents**

**30 June 2016**

Directors' report	2
Auditor's independence declaration	5
Independent auditor's report to the members of Marks Point Bowling Club Limited	6
Statement of profit or loss and other comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12
Directors' declaration	23

## Marks Point Bowling Club Limited

### Directors' report

30 June 2016

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2016.

#### Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

D Ayshford	Resigned 25/10/2015
A Baxter	Resigned 25/10/2015
O Renfrew	Resigned 25/10/2015
W Cooper	Resigned 25/10/2015
A Bolt	Resigned 25/10/2015
T Dunne	Resigned 25/10/2015; reappointed 02/03/2016
P O'Brien	
J Dawson	Appointed 25/10/2015; resigned 06/07/2016
J James	Appointed 25/10/2015; resigned 10/06/2016
R Cox	Appointed 25/10/2015
G Cox	Appointed 25/10/2015
J Finn	Appointed 25/10/2015
M Jones	Appointed 19/10/2016
D McArdle	Appointed 19/10/2016

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

#### Operating results

The deficit for the company for the financial period amounted to \$51,954 (2015: \$17,674) after insurance recoveries received of \$279,498 and depreciation expenses of \$116,048.

#### Objectives

The Company's short term objectives are to:

- manage the Company's revenue to ensure the ongoing financial viability of the Company for the benefit of all members and community stakeholders;
- maintain modern facilities, services and amenities for the benefit of the local community;
- ensure ongoing legislated compliance and best practice principles; and
- support the competitive and social endeavours of lawn bowlers and local sports.

The Company's long term objectives are:

- continual improvement of the Company's business to provide a sustainable local community resource;
- to maintain the club as an integral part of the local community; and
- to provide continuing support for the community by ensuring ongoing employment, investment in facilities and direct contributions to not for profit community organisations.

#### Strategy for achieving the objectives

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

- forecasting and measuring income and expenditure expectations based on prior results and identified industry and local trends;
- ongoing investigation to other opportunities to strengthen the Company's financial position;
- providing members and guests with a range of activities to foster participation;
- regular training, attendance at industry seminars and on line learning for Board and management; and
- maintaining relationships with local community organisations.

#### Principal activities

The principal activities of the Company during the financial year were:

- The operation of a licenced club for the benefit of its members and guests; and
- The promotion of lawn bowls and sporting activities within the local community.

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

## Marks Point Bowling Club Limited

### Directors' report

30 June 2016

#### Performance measures

The following measures are used within the company to monitor performance:

- monthly review of financial performance to forecast expectations and prior year results;
- monthly review of departmental results to verified industry and regional results where available;
- monthly review of membership growth; and
- regular meetings with local community groups.

#### Environmental issues

The Directors believe the company has complied with all significant environmental regulations under a law of Commonwealth or of a state or territory.

#### Indemnifying officer or auditor

During the year, the Company effected a Directors and Officer's liability policy. The insurance policy provides cover for the Directors named in this report, the company secretary, officers and former Directors and Officers of the Company. The policy prohibits the disclosure of the nature of the indemnification and the insurance cover, and the amount of the premium.

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.

#### Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2016, and the number of meetings attended by each director were:

	Full Board		Special Meetings	
	Attended	Held	Attended	Held
D Ayshford	3	3	2	2
A Baxter	3	3	2	2
O Renfrew	3	3	2	2
W Cooper	3	3	1	2
A Bolt	2	3	1	2
T Dunne	3	6	1	2
P O'Brien	14	14	2	2
J Dawson	11	11	-	-
J James	11	11	-	-
R Cox	11	11	-	-
G Cox	11	11	-	-
J Finn	11	11	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

#### Contributions on winding up

Marks Point Bowling Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up 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 \$1 for members subject to the provision of the company's constitution.

At 30 June 2016 the collective liability of members was \$918 (2015: \$1,750).

#### Disclosure of core and non-core property

The directors have determined that property of the Club shall be classified as follows in accordance with section 41J of the Registered Club Act 1976:

Core property      Land located at 3A Findon Street, Marks Point NSW  
Non core property      Nil


**Marks Point Bowling Club Limited**  
**Directors' report**  
**30 June 2016**

**Auditor's independence declaration**

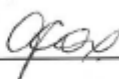
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

  
\_\_\_\_\_  
J Pinn P. O'Brien  
Director

30 October 2016

  
\_\_\_\_\_  
G Cox  
Director

Unit 1, 1 Pioneer Avenue  
PO Box 3399  
Tuggerah NSW 2259

T: (02) 4353 2333  
F: (02) 4351 2477

e: [mail@bishopcollins.com.au](mailto:mail@bishopcollins.com.au)



Suite 1, Level 11  
49-51 York Street  
Sydney NSW 2000

T: (02) 9262 4420  
F: (02) 9262 4739

w: [www.bishopcollins.com.au](http://www.bishopcollins.com.au)

## INDEPENDENT AUDITOR'S DECLARATION TO THE MEMBERS OF MARKS POINT BOWLING CLUB

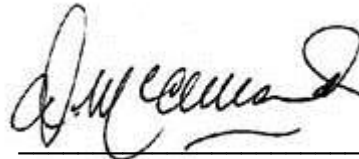
We hereby declare that to the best of our knowledge and belief during the year ended 30 June 2016, there have been:

- (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.

**Name of Firm**

Bishop Collins Audit Pty Ltd  
Chartered Accountants

**Name of Registered Company Auditor**



David McClelland

**Auditor's Registration No.**

431227

**Address**

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

**Dated**

30 October 2016



LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION



Unit 1, 1 Pioneer Avenue  
PO Box 3399  
Tuggerah NSW 2259

T: (02) 4353 2333  
F: (02) 4351 2477

e: [mail@bishopcollins.com.au](mailto:mail@bishopcollins.com.au)



Suite 1, Level 11  
49-51 York Street  
Sydney NSW 2000

T: (02) 9262 4420  
F: (02) 9262 4739

w: [www.bishopcollins.com.au](http://www.bishopcollins.com.au)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARKS POINT BOWLING CLUB

### Report on the Financial Report

We have audited the accompanying financial report of Marks Point Bowling Club which comprises the statement of financial position as at 30 June 2016, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company.

### Directors' Responsibility 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.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

### Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.



LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION





## Auditor's Opinion

In our opinion:

- (a) the financial report of Marks Point Bowling Club 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 2016 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

**Name of Firm**

Bishop Collins Audit Pty Ltd  
Chartered Accountants

**Name of Registered Company Auditor**

---

David McClelland

**Auditor's Registration No.**

431227

**Address**

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

**Dated**

30 October 2016



**Marks Point Bowling Club Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2016**

	Note	2016 \$	2015 \$
<b>Revenue</b>	4	1,411,132	1,597,874
Other income	5	281,221	24,926
<b>Expenses</b>			
Raw materials and consumables used		(330,209)	(354,683)
Advertising expenses		(15,837)	(17,957)
Employee benefits expense		(429,243)	(461,833)
Bowls expenses, trophies and tournament expenses		(8,078)	(13,564)
Depreciation and amortisation expense		(116,048)	(101,447)
Directors' expenses		(8,681)	(11,687)
Entertainment and promotion expenses		(251,749)	(256,191)
Insurance expense		(47,679)	(30,191)
Ladies expenses		(33,484)	(20,578)
Membership and amenities expenses		(44,060)	(44,634)
Men's expenses		(49,642)	(52,916)
Repairs and maintenance expense		(220,736)	(64,837)
Utilities expenses		(63,913)	(66,371)
Professional and consultant expenses	20	(45,627)	(48,113)
Lease expenses		(19,665)	(20,198)
Other expenses		(78,788)	(72,626)
Finance costs		(10,868)	(2,648)
<b>Deficit before income tax expense</b>		(51,954)	(17,674)
Income tax expense		-	-
<b>Deficit after income tax expense for the year</b>	19	(51,954)	(17,674)
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<u>(51,954)</u>	<u>(17,674)</u>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Marks Point Bowling Club Limited**  
**Statement of financial position**  
**As at 30 June 2016**

	Note	2016 \$	2015 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	96,543	114,746
Trade and other receivables	7	3,825	40,838
Inventories	8	25,446	17,060
Financial assets	9	42,663	41,340
Other assets	10	1,527	16,508
Total current assets		<u>170,004</u>	<u>230,492</u>
<b>Non-current assets</b>			
Property, plant and equipment	11	1,078,186	969,849
Intangibles	12	73,527	73,527
Total non-current assets		<u>1,151,713</u>	<u>1,043,376</u>
<b>Total assets</b>		<u>1,321,717</u>	<u>1,273,868</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	114,458	141,301
Borrowings	14	128,554	-
Employee benefits	15	37,629	36,537
Other liabilities	16	13,452	14,547
Total current liabilities		<u>294,093</u>	<u>192,385</u>
<b>Non-current liabilities</b>			
Borrowings	17	47,233	50,000
Employee benefits	18	1,535	673
Total non-current liabilities		<u>48,768</u>	<u>50,673</u>
<b>Total liabilities</b>		<u>342,861</u>	<u>243,058</u>
<b>Net assets</b>		<u>978,856</u>	<u>1,030,810</u>
<b>Equity</b>			
Retained surpluses	19	<u>978,856</u>	<u>1,030,810</u>
<b>Total equity</b>		<u>978,856</u>	<u>1,030,810</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Marks Point Bowling Club Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2016**

	<b>Retained surplus \$</b>	<b>Total equity \$</b>
Balance at 1 July 2014	1,048,484	1,048,484
Deficit after income tax expense for the year	(17,674)	(17,674)
Other comprehensive income for the year, net of tax	-	-
	<u>(17,674)</u>	<u>(17,674)</u>
Total comprehensive income for the year	<u>(17,674)</u>	<u>(17,674)</u>
Balance at 30 June 2015	<u>1,030,810</u>	<u>1,030,810</u>
	<b>Retained surplus \$</b>	<b>Total equity \$</b>
Balance at 1 July 2015	1,030,810	1,030,810
Deficit after income tax expense for the year	(51,954)	(51,954)
Other comprehensive income for the year, net of tax	-	-
	<u>(51,954)</u>	<u>(51,954)</u>
Total comprehensive income for the year	<u>(51,954)</u>	<u>(51,954)</u>
Balance at 30 June 2016	<u>978,856</u>	<u>978,856</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Marks Point Bowling Club Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2016**

	Note	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		1,883,483	1,728,033
Payments to suppliers and employees (inclusive of GST)		<u>(1,790,678)</u>	<u>(1,766,228)</u>
		92,805	(38,195)
Interest received		1,723	3,066
Interest and other finance costs paid		<u>(10,868)</u>	<u>(2,648)</u>
Net cash from/(used in) operating activities		<u>83,660</u>	<u>(37,777)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		<u>(121,845)</u>	<u>(7,138)</u>
Net cash used in investing activities		<u>(121,845)</u>	<u>(7,138)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		<u>19,982</u>	<u>-</u>
Net cash from financing activities		<u>19,982</u>	<u>-</u>
Net decrease in cash and cash equivalents		(18,203)	(44,915)
Cash and cash equivalents at the beginning of the financial year		<u>114,746</u>	<u>159,661</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>96,543</u></u>	<u><u>114,746</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Marks Point Bowling Club Limited**  
**Notes to the financial statements**  
**30 June 2016**

**Note 1. General information**

The financial statements cover Marks Point Bowling Club Limited as an individual entity. The financial statements are presented in Australian dollars, which is Marks Point Bowling Club Limited's functional and presentation currency.

Marks Point Bowling Club Limited is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 October 2016. The directors have the power to amend and reissue the financial statements.

**Note 2. Significant accounting policies**

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

**New, revised or amending Accounting Standards and Interpretations adopted**

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

**Revenue recognition**

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

*Sale of goods*

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

*Gaming machine revenue*

Gaming machine revenue is recognised at the point of sale and represents the difference between the amounts earned through gaming wagers less the payouts from those wagers. Liabilities are recognised for anticipated payouts for progressive jackpots.

*Subscriptions*

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

**Note 2. Significant accounting policies (continued)**

*Interest*

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

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

**Income tax**

The directors are of the opinion that the company is exempt from income tax pursuant to Section 50-45 of the Income Tax Assessment Act 1997.

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid 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 changes in value.

**Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

**Inventories**

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

**Note 2. Significant accounting policies (continued)**

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

*Held-to-maturity investments*

Held-to-maturity investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Held-to-maturity investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

*Impairment of financial assets*

The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

**Property, plant and equipment**

Land and buildings are shown at cost. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	2- 25 years
Plant and equipment	1-20 years
Motor vehicles	5 years
Kitchen equipment	5-10 years
Poker machines	2-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

**Impairment of non-financial assets**

Poker machine entitlements are recognised at cost of acquisition. Directors have assessed that poker machine entitlements have an indefinite useful life. These assets are tested annually for impairment and carried at cost less accumulated depreciation.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

**Note 2. Significant accounting policies (continued)**

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

**Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

**Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

*Other long-term employee benefits*

The liability for long service leave that is not expected to be settled within 12 months of the reporting date is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

*Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

**Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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



**Note 2. Significant accounting policies (continued)**

**Going concern**

At 30 June 2016, the company has reported a deficit of \$51,954 (2015: deficit of \$17,674) and the company's current liabilities (\$294,093) exceed its current assets (\$170,004) by \$124,089.

Notwithstanding these deficiencies, the financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the extinguishment of liabilities in the ordinary course of business.

The directors of the company have considered the going concern assumption appropriate with consideration to the following:

- The Company continues to receive ongoing financial support from creditors to assist the Company meet its short term obligations;
- The company has access to an overdraft facility to meet short-term cash flow requirements;
- The Board is negotiating with its financier better interest rates on its facilities as well as increasing the size of the Company/s short-term overdraft;
- Current liabilities, including membership subscriptions of \$13,452 will not require cash settlement; and
- It is not anticipated that employee entitlements of \$37,629 will be extinguished by 30 June 2017.

It is with full consideration of the factors noted above that the financial statements have been prepared on a going concern basis.

**Note 3. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Provision for impairment of receivables*

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

*Provision for impairment of inventories*

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

*Fair value measurement hierarchy*

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

**Marks Point Bowling Club Limited**  
**Notes to the financial statements**  
**30 June 2016**

**Note 3. Critical accounting judgements, estimates and assumptions (continued)**

*Estimation of useful lives of assets*

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Goodwill and other indefinite life intangible assets*

The company tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

*Employee benefits provision*

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**Note 4. Revenue**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<i>Sales revenue</i>		
Bar sales	727,346	737,388
Poker machine revenue	378,097	467,447
Promotions revenue	113,806	137,122
Commissions revenue	61,945	81,260
Bowls revenue	33,616	47,126
Membership subscriptions	22,669	21,911
Ladies revenue	34,770	27,426
Mens revenue	56,793	55,913
	<u>1,429,042</u>	<u>1,575,593</u>
<i>Other revenue</i>		
Other revenue	12,090	22,281
Revenue	<u><u>1,441,132</u></u>	<u><u>1,597,874</u></u>

**Note 5. Other income**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Insurance recoveries	279,498	21,860
Interest received	1,723	3,066
Other income	<u><u>281,221</u></u>	<u><u>24,926</u></u>

**Marks Point Bowling Club Limited**  
**Notes to the financial statements**  
**30 June 2016**

**Note 6. Current assets - cash and cash equivalents**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Cash on hand and at bank	<u>96,543</u>	<u>114,746</u>

**Note 7. Current assets - trade and other receivables**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	1,442	6,948
Less: Provision for impairment of receivables	<u>(1,342)</u>	<u>(1,630)</u>
	100	5,318
Other receivables	1,212	34,618
Interest receivable	742	902
BAS receivable	<u>1,771</u>	<u>-</u>
	<u>3,825</u>	<u>40,838</u>

**Note 8. Current assets - inventories**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Stock on hand - at cost	<u>25,446</u>	<u>17,060</u>

**Note 9. Current assets - financial assets**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Term deposit	<u>42,663</u>	<u>41,340</u>

**Note 10. Current assets - other assets**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Prepayments	<u>1,527</u>	<u>16,508</u>

**Marks Point Bowling Club Limited**  
**Notes to the financial statements**  
**30 June 2016**

**Note 11. Non-current assets - property, plant and equipment**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Land - at cost	572,719	572,719
Buildings and property improvements	786,484	728,661
Less: Accumulated depreciation	<u>(543,552)</u>	<u>(496,421)</u>
	242,932	232,240
Plant and equipment - at cost	1,433,909	1,283,172
Less: Accumulated depreciation	<u>(1,171,374)</u>	<u>(1,118,282)</u>
	262,535	164,890
	<u>1,078,186</u>	<u>969,849</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land	Buildings and Property Improvements	Plant and Equipment	Total
	\$	\$	\$	\$
Balance at 1 July 2015	572,719	232,240	164,890	969,849
Additions	-	57,822	168,505	226,327
Disposals	-	-	(1,942)	(1,942)
Depreciation expense	-	<u>(47,130)</u>	<u>(68,918)</u>	<u>(116,048)</u>
Balance at 30 June 2016	<u>572,719</u>	<u>242,932</u>	<u>262,535</u>	<u>1,078,186</u>

**Note 12. Non-current assets - intangibles**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Poker machine entitlements	<u>73,527</u>	<u>73,527</u>

**Note 13. Current liabilities - trade and other payables**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Trade payables	63,334	82,501
BAS payable	-	7,631
Other payables	<u>51,124</u>	<u>51,169</u>
	<u>114,458</u>	<u>141,301</u>

**Marks Point Bowling Club Limited**  
**Notes to the financial statements**  
**30 June 2016**

**Note 14. Current liabilities - borrowings**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Bank loans	69,982	-
Hire purchase	58,572	-
	<u>128,554</u>	<u>-</u>

**Note 15. Current liabilities - employee benefits**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Annual leave	17,838	24,248
Long service leave	19,791	12,289
	<u>37,629</u>	<u>36,537</u>

**Note 16. Current liabilities - other liabilities**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Membership received in advance	<u>13,452</u>	<u>14,547</u>

**Note 17. Non-current liabilities - borrowings**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Bank loans	-	50,000
Hire purchase	47,233	-
	<u>47,233</u>	<u>50,000</u>

*Total secured liabilities*

The total secured liabilities (current and non-current) are as follows:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Bank loans	69,982	50,000
Hire purchase	105,805	-
	<u>175,787</u>	<u>50,000</u>

*Assets pledged as security*

The bank loan is secured by a registered first mortgage over the company's land and buildings. The loan has a limit of \$100,000 resulting in unused facilities of \$30,018. The loan expires on 20 January 2017.

**Marks Point Bowling Club Limited**  
**Notes to the financial statements**  
**30 June 2016**

**Note 18. Non-current liabilities - employee benefits**

	2016 \$	2015 \$
Long service leave	1,535	673

**Note 19. Equity - retained surpluses**

	2016 \$	2015 \$
Retained surpluses at the beginning of the financial year	1,030,810	1,048,484
Deficit after income tax expense for the year	(51,954)	(17,674)
Retained surpluses at the end of the financial year	978,856	1,030,810

**Note 20. Professional and consultant remuneration**

	2016 \$	2015 \$
Remuneration of the auditor (Bishop Collins Audit Pty Ltd) - financial statement audit	13,100	12,750
Remuneration of the auditor (Bishop Collins Audit Pty Ltd) – financial statement preparation	1,250	1,200
Remuneration of the auditor (Bishop Collins Audit Pty Ltd) – accounting assistance	-	2,500
Remuneration of the auditor (Bishop Collins Audit Pty Ltd) – election services	-	4,200
Remuneration of the auditor (Bishop Collins Audit Pty Ltd) – investigative services	-	2,700
Remuneration of Cutcher and Neale Pty Ltd (accounting services)	6,000	-
Remuneration of Davidal Pty Ltd (accounting services)	2,575	-
Remuneration of Glenda Cox (administration services)	4,418	-
External bookkeeping fees	8,984	20,093
Legal and other professional fees	9,300	4,670
	45,627	48,113

**Note 21. Related party transactions**

*Transactions with related parties*

The following transactions occurred with related parties:

	2016 \$	2015 \$
Benefits approved by members:		
Honoraria - Board	4,000	4,250
Honoraria - Bowls	3,000	6,400
Director training	-	1,055
Club-related activities expenses	1,681	2,137
Services provided by related parties:		
Administration services provided by director G Cox	4,418	-
Management services provided by related entity of ex-director D Ayshford	4,023	-
Other related party transactions:		
Amounts won by directors in their capacity as members (members draw); Glenda Cox	2,400	-

**Marks Point Bowling Club Limited**  
**Notes to the financial statements**  
**30 June 2016**

**Note 21. Related party transactions (continued)**

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

**Note 22. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.


**Marks Point Bowling Club Limited**  
**Directors' declaration**  
**30 June 2016**

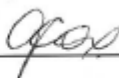
In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

  
\_\_\_\_\_  
J Pinn P. O'BRIEN  
Director

  
\_\_\_\_\_  
G Cox  
Director

30 October 2016