

# **BANGALOW BOWLING & SPORTS CLUB LTD**

**ABN: 97 001 017 938**

**Financial Report for the Year Ended**

**31 December 2018**

# BANGALOW BOWLING & SPORTS CLUB LIMITED

ABN: 97 001 017 938

Financial Report for the year ended

31 December 2018

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**BANGALOW BOWLING & SPORTS CLUB LTD**

**ABN: 97 001 017 938**

**CHAIRMAN'S REPORT**

It gives me great pleasure to report that 2018 has been another successful and exciting year.

The Club has continued to trade strongly as indicated by the increase in bar sales from \$917K to \$1M.

It is very satisfying to be able to tell you that we have again finished in the black for the third year in a row. The profit (before depreciation charges) is \$45,245 with only \$17,912 of that being from gaming. It is pleasing that the club does not need to rely on gambling like many other clubs.

In 2018 the Club was very pleased to be able to sponsor four local sporting clubs: The Rebels (rugby), the Blue Dogs (soccer), the Cricket Club and Netball Club as well as other local groups who benefit from Friday night raffles. In return they support the Club which we really appreciate. The Club is a community club and without that community support we would be nothing.

There were three major events affecting the club during the year.

The first was the granting of a loan by ANZ bank which we had been applying for since 2012. With this loan we achieved the repaying of the Unit Trust Loan, something that was a top priority for the board.

Thank you to the Trust members for their help in keeping the club open; and also for their patience.

We must also thank those trust members who elected to donate their money to the Club. This money was used to help renovate the bar which has become a more user-friendly place, especially for the staff.

The kitchen has also been renovated as the caterer had outgrown the existing one. As with most renovations the cost had a blow out to \$170K. However, there is now a model kitchen which will be able to handle most functions that we wish to have.

Unfortunately we were surprised with two announcements in December which make up the second and third major events of the year.

Shane, our manager for the last four years, submitted his resignation in order to take another challenging position. Shane's vision, professionalism and expertise has moved the Bowlo onwards and upwards.

We give him our very best wishes for his new position and thank him sincerely for his contribution to the success of the Club.

The next announcement, a few days later, was that our caterer was also leaving to downsize to another location. The desire for more family time contributed to their decision. We also wish them all the best in their new venture and thank them for their contribution to the revival of the Club.

These two announcements had the board hurriedly organising advertisements for both positions over the Christmas period. After a busy time with interviews the board settled on a General Manager, Chris Watson from Kingscliff. We feel he is the person to continue taking the club forward. He comes with a lot of experience and ideas.

The caterer, Sacha Meier, is also very experienced and impressed the board with not only his food preparation but his proposals for progressing the club.

It is felt that Chris and Sacha together have much to offer.

For quite a few years the board has been working on a new constitution with little progress being made to finalise it.

However, board members Atosha Clancy and Ian Dall took on the task. It was considered important to get a solicitor experienced in constitutions to help update the old one.

The Men's Bowling Club have elected to help by paying for this service (\$5-\$6K)

Next a committee, drawn from our members, has been meeting to review the details and revise the constitution in order for the solicitor to finalise it. We hope to present the new constitution at the AGM.

**BANGALOW BOWLING & SPORTS CLUB LTD**

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**CHAIRMAN'S REPORT**

We are indebted to the local committee of volunteers for their valuable input.

They are Rebecca Sergeant, Fletcher Potanin, Jerome Mellor, John Hall, Leyla Roberts and Thomas Harsas.

Our grateful thanks to all involved. We are confident that our new, modern constitution reflects what the community wants and is in line with the various acts of parliament under which the club operates.

One very important group necessary to run a club is the staff. We are blessed to have good, young, cheerful staff ably led by Shane and Jeremy. Our cleaners Kath and Peter go above and beyond in their dedication. Thank you to all.

The bowling green continues to be maintained by Shane Mahoney and his team of volunteers from the Men's Bowling Club. A big thank you to all concerned; our green is one of the best around.

Greg Clark our accountant continues to be a big supporter of the club and we thank him for his help and guidance.

Meredith Duensing from Stuart Garrett Solicitors has again been a tower of strength to us.

The last big thankyou is to the members of the board who have combined well to give direction to the running of the club. They have worked well with Shane. This would have been one of the most skilled boards I have had the pleasure of working with.

Special thanks to Rowan and Atosha who have done an immense amount of work especially when we were searching for a new manager and caterer.

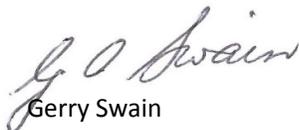
Our treasurer Jeff Nolan has been very supportive of me over the last six years and has done a very professional job in his role as treasurer.

Ian Holden once again has kept the accounts and books in very good order.

Beck Harwood, Ian Dall, Jayde Crowe and Sonny Singh have all been willing and able to be involved in board matters.

I would like to conclude by welcoming our new manager Chris Watson who has come to us highly recommended as does our new caterer Sacha Meier.

We look forward confidently to a bright future for them and for Bangalow Bowling and Sports Club.



Gerry Swain

Chairman

**BANGALOW BOWLING & SPORTS CLUB LTD**  
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**DIRECTORS' REPORT**

Your directors present this report on the company for the financial year ended 31 December, 2018.

**Directors:**

<b>Director</b>	<b>Appointed</b>	<b>Ceased</b>	<b>No. of meetings eligible</b>	<b>No. of meetings attended</b>	<b>Apologies/ Leave of absence</b>
Gerry Swain	15/03/12		11	10	1
Jeff Nolan	11/02/13		11	10	1
Ian Holden	21/03/16		11	8	3
Atosha Clancy	14/02/17		11	10	1
Rowan Keast	28/03/17		11	11	-
Rebekah Harwood	28/03/17		11	7	4
Katrina Cavalieri	28/03/17	26/06/18	9	3	6
Jayd Crowe	26/03/18		10	9	1
Sonny Singh	26/03/18		10	8	2
Ian Dall	26/03/18		10	9	1

**Company Secretary:**

The company secretary at the end of the financial year was Shane Ironside who was appointed to that position on 8<sup>th</sup> April 2015. Shane Resigned as company secretary with effect from 28<sup>th</sup> February 2019.

**Objectives:**

The long and short term objectives of the company are to ensure that the company's financial position remains sound in both the short and long term so that members and patrons can enjoy their club for years to come.

**Strategy:**

The strategy that the company employs to achieve those objectives is to:

1. Carefully monitor income and expenditure to improve operating profit;
2. Introduce new ideas that will attract more people to the club to improve income streams; and
3. Promote the above objectives at every opportunity.

**Principal Activities:**

The principal activity of the company is to provide a viable community and sports club for the people of Bangalow and surrounds.

**Achieving Entity's Objectives**

The principal activities assisted in achieving the company's objectives by encouraging members and patrons to use the company's facilities.

**Measurement of Performance**

The company measures its performance by profit and patron satisfaction. Performance is also measured against budget forecasts. Key performance indicators used by the company in monitoring performance include review of gross profit, profit to turnover and profit to income percentages.

**BANGALOW BOWLING & SPORTS CLUB LTD**

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**DIRECTORS' REPORT**

<b>Summary of Performance</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Gross Revenue	1,087,318	1,021,935
Expenses	<u>(1,092,323)</u>	<u>(964,707)</u>
Operating Profit/(Loss)	(5,005)	57,228

**Significant Changes in State of Affairs**

There have been no significant changes in the state of affairs of the company during the year.

**Events after the reporting date**

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

**Future Developments, Prospects and Business Strategies**

There are no planned changes in the operations of the company which will significantly affect the results of the operations in future financial years.

**Auditor's Independence Declaration:**

The lead auditor's independence declaration for the year ended 31 December 2018 has been received and can be found on page 5 of the financial report.

**Directors Benefits**

No directors have a financial interest in any contract or proposed contract with the company.

In accordance with Chapter 2E of the Corporations Act, since the end of the previous financial year, except for minor services rendered in the ordinary course of business, no director has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director or with a firm of which they are a member or with a company in which they have a substantial financial interest.

**Indemnification and Insurance of Officers and Auditors**

The company has not, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer or auditor including costs and expenses in successfully defending legal proceedings; or paid or agreed to pay a premium in respect of a contract insuring against liability incurred as an officer or auditor for costs or expenses to defend legal proceedings with the exception of insurance premiums paid to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in a capacity of director of the company, other than conduct involving a wilful breach of duty in relation to 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 purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

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

**BANGALOW BOWLING & SPORTS CLUB LTD**

**ABN: 97 001 017 938**

**DIRECTORS' REPORT**

**After Balance Day Events**

No other 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.

**Membership Liability**

The company is limited by guarantee without share capital. The number of members as at 31 December 2018 was 1,350 (2017: 1,034). If the company is wound up, the constitution states that each member of the company is liable to contribute a maximum of \$1 each towards meeting any outstanding liabilities of the company. At 31 December 2018 the maximum total amount that members of the company would be liable to contribute if the company is wound up is \$1,350.

**Real Property**

All real property as defined in section 41J of the Registered Club Act (NSW) 1976 owned by the company is core property. The company does not have any non-core property.

**Environmental Issues**

The company's operations are subject to various environmental regulations under both Commonwealth and State Legislation.

The board believes that the company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the company.

**Dividends Paid or Recommended**

The constitution of the company prohibits the distribution of profits to the members. Accordingly, no dividend or distributions were or could be paid to members.

Signed in accordance with a resolution of the board of directors.

Director: Gerard Swain

Dated this 5th Day of March 2019

**AUDITOR'S INDEPENDENCE DECLARATION  
Under Section 307C of the Corporations Act 2001**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018 there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.

Paul Morris – Registered Company Auditor  
OnTrack Chartered Accountants

Dated this 5th Day of March 2019

**BANGALOW BOWLING & SPORTS CLUB LIMITED**  
**ABN: 97 001 017 938**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

	NOTE	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	14,373	44,241
Receivables	5	18,862	7,333
Inventories on Hand	6	34,659	28,793
<b>TOTAL CURRENT ASSETS</b>		<u>67,894</u>	<u>80,367</u>
<b>NON CURRENT ASSETS</b>			
Shares in Independent Liquor Group		750	750
Property, Plant and Equipment	7(b)	1,117,999	960,221
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,118,749</u>	<u>960,971</u>
<b>TOTAL ASSETS</b>		<u>1,186,641</u>	<u>1,041,338</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Bank Overdraft	8	7,513	6,921
Accounts Payable	9	54,824	56,097
Borrowings	10	6,396	299,506
Provisions	11	10,080	6,957
<b>TOTAL CURRENT LIABILITIES</b>		<u>78,813</u>	<u>369,481</u>
<b>NON CURRENT LIABILITIES</b>			
Borrowings	10	440,978	-
<b>TOTAL NON CURRENT LIABILITIES</b>		<u>440,978</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>519,791</u>	<u>369,481</u>
<b>NET ASSETS</b>		<u>666,852</u>	<u>671,857</u>
<b>MEMBERS' EQUITY</b>			
Asset Revaluation Reserve	7(a)	692,000	692,000
Retained Profits/(Deficit)		<u>(25,148)</u>	<u>(20,143)</u>
<b>TOTAL MEMBERS' EQUITY</b>		<u>666,852</u>	<u>671,857</u>

These financial statements should be read in conjunction with the accompanying notes

**BANGALOW BOWLING & SPORTS CLUB LIMITED**  
**ABN: 97 001 017 938**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	NOTE	2018 \$	2017 \$
REVENUE	2	1,071,318	981,135
OTHER INCOME	2	16,000	40,800
EMPLOYEE BENEFITS EXPENSE	3	(353,466)	(269,028)
BORROWING COSTS	3	(22,613)	(8,669)
PURCHASES		(380,989)	(358,048)
DEPRECIATION EXPENSE	3	(50,250)	(41,725)
OTHER EXPENSES	3	<u>(285,005)</u>	<u>(287,237)</u>
<b>PROFIT/(LOSS) BEFORE INCOME TAX</b>		(5,005)	57,228
INCOME TAX EXPENSE	1 (h)	<u>-</u>	<u>-</u>
<b>PROFIT/(LOSS) AFTER INCOME TAX EXPENSE</b>		<u>(5,005)</u>	<u>57,228</u>

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

RETAINED PROFITS/(LOSS) AT THE BEGINNING OF THE YEAR	(20,143)	(77,371)
NET PROFIT/(LOSS)	<u>(5,005)</u>	<u>57,228</u>
RETAINED PROFITS/(LOSS) AT THE END OF THE FINANCIAL YEAR	<u>(25,148)</u>	<u>(20,143)</u>

These financial statements should be read in conjunction with the accompanying notes

**BANGALOW BOWLING & SPORTS CLUB LIMITED**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	NOTE	2018 \$ Inflows (Outflows)	2017 \$ Inflows (Outflows)
<b>STATEMENT OF CASH FLOWS</b>			
<b>i CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipt from Option Fee – Land Sale		-	20,000
Receipt from members and customers		1,087,055	981,135
Payments to suppliers/employees		(1,040,805)	(894,594)
Interest paid		(15,957)	(8,669)
Net cash provided from/(used in) operating activities	15b	<u>30,293</u>	<u>97,872</u>
<b>ii CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		<u>(208,029)</u>	<u>(101,804)</u>
Net cash provided from/(used in) investing activities		<u>(208,029)</u>	<u>(101,804)</u>
<b>iii CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings – Gaming Machine Loan		-	(5,293)
Repayment of borrowings – Unit Trust		(208,166)	(17,800)
Proceeds from/(Repayment) Insurance Funding Loan		(1,471)	1,512
Refinance of borrowings – ANZ Loan		357,505	(10,140)
Net cash provided from financing activities		<u>147,868</u>	<u>(31,721)</u>
Net increase/(decrease) in cash held		(29,868)	(35,653)
Cash at the beginning of the financial year (ex sub-clubs)		44,241	79,894
Cash at the end of the financial year	15a	<u>14,373</u>	<u>44,241</u>

These financial statements should be read in conjunction with the accompanying notes

**BANGALOW BOWLING & SPORTS CLUB LIMITED**

**ABN: 97 001 017 938**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

The financial statements are for the Bangalow Bowling & Sports Club Limited as an individual entity. The Bangalow Bowling & Sports Club Limited is a public company limited by guarantee, incorporated and domiciled in Australia.

The financial report was authorised for issue by the directors on 5<sup>th</sup> March 2019

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.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied, unless otherwise stated.

The financial statements have been prepared on an accrual 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.

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

**a. Revenue**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue from 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.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue recognition relating to the provision of services is recognised upon delivery of the service to the customer.

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

**b. Cash and Cash Equivalents**

Cash and Cash Equivalents include cash on hand, deposits held at call with banks, bank term deposits used for day to day operating cash flow, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

**c. Property, Plant & Equipment**

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

**Property**

Freehold land is measured at directors' valuation. Buildings are measured on a cost basis, less subsequent depreciation charges.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**Plant and equipment**

Plant and equipment are measured using the cost or deemed cost, less accumulated depreciation/amortisation and impairment losses.

**Plant and equipment – impairment**

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 been discounted to their present values in determining recoverable amounts.

In assessing value in use, the company has used depreciated replacement cost since the company is a not for profit entity where the economic benefits of its assets are not primarily dependent on the assets ability to generate net cash flows and the company would, if deprived of the asset, replace its remaining future economic benefits.

**Depreciation**

Depreciation is calculated so as to write off the net cost of each non-current asset during its effective useful life to the company commencing from the time the asset is held ready for use. The straight-line method of depreciation has been used for buildings and plant and equipment.

Major depreciation ranges for various classifications of assets are:

Buildings	2.5%
Plant and Equipment	10 - 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit and loss.

**d. Leases**

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

**e. Financial Instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the Instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

**Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**Impairment**

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a loss event) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**f. Impairment of Assets**

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

**g. 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.

Contributions to employee superannuation funds are charged as an expense as they are incurred.

**h. Income Tax**

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

**i. Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

**Key Estimates**

**Impairment**

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers.

**Plant and equipment**

As indicated in Note 1(c), the company reviews the useful life of plant and equipment on an annual basis.

**j. Inventories on Hand**

Inventories on hand consist of liquor, beer, wine and related items. Inventory on hand at balance date is valued at the lower of cost and net realisable value.

**BANGALOW BOWLING & SPORTS CLUB LIMITED**

**ABN: 97 001 017 938**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**k. New Accounting Standards for Application in Future Periods**

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the company, together with an assessment of the potential impact of such pronouncements on the company when adopted in future periods, are discussed below:

**AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).**

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

**AASB 1058: Income of Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 January 2019).**

This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations.

The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.
- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

**BANGALOW BOWLING & SPORTS CLUB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004: Contributions. Although the directors anticipate that the adoption of AASB 1058 may have an impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

**I. Goods and Services Tax**

Revenues, 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). In these circumstances the GST is recognised as part of the costs of acquisition of the assets or as part of an item or expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable or payable to the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financial activities which are recoverable from or payable to the ATO are classified as operating cash flows.

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>2. OPERATING REVENUE</b>		
<b>REVENUE FROM OPERATING ACTIVITIES</b>		
Bar Sales	1,005,823	917,842
Gaming Income – Net of Payouts	17,912	12,015
Rental – Auditorium	7,729	9,872
Members' Subscriptions	3,596	7,749
Raffles and Competitions	5,788	11,528
Courtesy Bus	2,865	3,439
Other	27,605	18,690
<b>TOTAL REVENUE</b>	<u>1,071,318</u>	<u>981,135</u>
<b>OTHER INCOME</b>		
Land Sale – Final Settlement	-	20,000
Donations received	16,000	10,800
Government Grants	-	10,000
<b>TOTAL OTHER INCOME</b>	<u>16,000</u>	<u>40,800</u>
<b>TOTAL REVENUE AND OTHER INCOME</b>	<u>1,087,318</u>	<u>1,021,935</u>

**BANGALOW BOWLING & SPORTS CLUB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>2018</b>	<b>2017</b>
<b>3. NET PROFIT</b>		
<b>(i) Net profit from ordinary activities has been determined after:-</b>		
<b>(a) Charging as expenses</b>		
Borrowing Costs – Interest	15,957	8,669
– Borrowing Fees and Charges	<u>6,656</u>	<u>-</u>
	22,613	8,669
<b>(b) Depreciation</b>		
– Buildings	11,441	9,990
– Plant & Equipment	<u>38,809</u>	<u>31,735</u>
	50,250	41,725
<b>(ii) Expenses from ordinary activities</b>		
<b>Administration &amp; Operating Costs</b>		
Employee Costs	353,466	269,028
<b>Other Expenses</b>		
Accounting	2,855	1,805
Advertising, Stationery, Postage & Printing	13,610	9,395
Bank Fees	6,961	4,431
Cleaning Contractor	43,352	33,875
Clubhouse Supplies	8,713	12,235
Computer Expenses	5,952	7,294
Electricity & Gas	32,262	26,975
Entertainment, Promotions & Foxtel	30,100	28,733
Equipment Leasing	13,721	4,393
Insurance	15,757	19,443
Legal Fees	3,100	-
Rates and excess water	8,412	15,756
Repairs and Maintenance	22,653	30,424
Sponsorships	14,875	25,550
Telephone and Internet	2,711	3,117
Other Operating Expenses	<u>52,021</u>	<u>63,811</u>
<b>Total Other Expenses</b>	<u>285,005</u>	<u>287,237</u>
<b>(iii) Related Party Transactions</b>		
Transactions with directors or related parties involving;		
(a) the provision of club services to directors was done on terms and conditions no more favourable than those available on similar transactions to other members.		
(b) the provision of services by directors or their spouses has been in a voluntary capacity only and no remuneration has been paid for services provided.		
<b>(iv) Auditors' Remuneration</b>		
Amounts received or due and receivable		
By the auditor for		
Audit Work – Reviewing the Accounts (Prior Year)	3,500	3,500
Audit Work – Auditing the Accounts (Current Year)	3,500	-
Other Services	<u>-</u>	<u>-</u>
	<u>7,000</u>	<u>3,500</u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>4. CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	7,261	20,748
Cash at Bank	7,112	23,493
	<u>14,373</u>	<u>44,241</u>
<b>5. RECEIVABLES</b>		
Debtors, EFTPOS and PayPal	3,336	7,333
Prepaid Expenses	15,431	-
Accrued Income	773	-
ATO Receivable	788	-
	<u>18,862</u>	<u>7,333</u>
<b>6. INVENTORIES</b>		
Inventory on Hand	34,659	28,793
	<u>34,659</u>	<u>28,793</u>
<b>7. NON-CURRENT ASSETS</b>		
<b>a. LAND AND BUILDINGS</b>		
Freehold Land – at Board of Directors valuation	700,000	700,000
Club Buildings – at cost	556,164	408,404
Less; Accumulated Depreciation	(300,405)	(288,963)
TOTAL BUILDINGS	<u>255,759</u>	<u>119,441</u>
<b>TOTAL LAND AND BUILDINGS</b>	<u>955,759</u>	<u>819,441</u>
<b>Land Valuation</b>		
The directors have based the valuation of the land on the NSW Valuer General's valuation which as at 28 <sup>th</sup> September 2018 was \$764,000.		
<b>b. PLANT AND EQUIPMENT</b>		
Plant and equipment – at cost	457,517	492,574
Less; Accumulated Depreciation	(295,277)	(351,794)
TOTAL PLANT AND EQUIPMENT	<u>162,240</u>	<u>140,780</u>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<u>1,117,999</u>	<u>960,221</u>

**BANGALOW BOWLING & SPORTS CLUB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**c. Movements in Carrying Amounts**

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

	Land at Valuation	Buildings at Cost	Plant & Equipment at Cost	Total
	\$	\$	\$	\$
Balance at Beginning of year	700,000	119,441	140,780	960,221
Additions	-	147,760	60,269	208,029
Depreciation expense	-	(11,441)	(38,809)	(50,250)
Balance at the end of the year	<u>700,000</u>	<u>255,759</u>	<u>162,240</u>	<u>1,117,999</u>

	Note	2018 \$	2017 \$
<b>8. BANK OVERDRAFT</b>			
This bank overdraft facility has a current limit of \$10,000.		7,513	6,921
<b>9. PAYABLES</b>			
Trade Creditors		27,889	24,460
ATO Payable – Current		-	20,396
Payroll Liabilities		16,761	11,241
Accrued Expenses		10,174	-
		<u>54,824</u>	<u>56,097</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

**10. BORROWINGS**

CURRENT

Loan - Insurance Funding		6,396	7,867
Bank Loan		-	83,473
Loan by Unit Trust	10 (c)	-	208,166
		<u>6,396</u>	<u>299,506</u>

NON CURRENT

Bank Loan	10 (b)	440,978	-
		<u>440,978</u>	<u>-</u>

**TOTAL BORROWINGS**

	<u>447,374</u>	<u>299,506</u>
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**(a) ANZ Bank Loan Facilities**

A loan was negotiated with ANZ Bank prior to the 2011 financial year for the original sum of \$125,000. When the company was placed under voluntary administration (VA), this placed the loan into a default position.

Whilst an agreement was reached that the ANZ Bank would continue to provide the loan facilities to the club, the club was advised by the ANZ Bank that it continues to expressly reserve its rights in relation to the default. As a result of this position, the loan was still being classified as current in the Statement of Financial Position as at 31 December 2017.

**BANGALOW BOWLING & SPORTS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

Subsequent to the end of the 2017 year the ANZ Bank, comfortable with the Club's trading performance, provided additional finance under a new loan agreement to allow for the repayment of the Unit Holders loan funds and to provide working capital to assist with refurbishment of the kitchen and other areas of the club.

The new loan facility, with a peak facility of \$442,115, has a 15 year term, with interest only repayments required for the first 12 months.

This loan stands at \$440,978 as at 31 December 2018.

**(b) Security Provided for ANZ Loan and Overdraft Facility**

The ANZ Bank securities are secured by a registered first mortgage by Bangalow Bowling and Sports Club Ltd over the property situated at 21 Byron Bay Rd, Bangalow (title reference 2/1236845).

**(c) Loan Facility Provided by Bowlo Sports & Community Club Pty Ltd as trustee for the Bowlo Sports & Community Club Unit Trust**

A loan for \$173,300 was granted on 27 March 2012 as part of a club rescue committee initiative to help the club get back on its feet again following the appointment of voluntary administrator on 13 January 2012.

This loan was \$208,166 as at 31 December 2017. The loan was interest free and repayable in full on 30 March 2018, following an initial two year extension approved by Unit Holders' at a meeting on 4 February 2015. Unit Holder's gave a further 12 month extension on the loan, in order to satisfy the Lenders requirement for one more year of profitable trading to enable them to properly consider a refinancing proposal, which will facilitate the repayment of this loan.

This loan was refinanced with existing lenders ANZ Bank and on 8 August 2018, fully repaid to Unit Holders.

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>11. PROVISIONS</b>		
Provision for Employee Entitlements	10,080	6,957
	10,080	6,957

**12. KEY MANAGEMENT PERSONNEL REMUNERATION**

The total compensation paid to key management personnel is as follows:

Directors	-	-
Other Key Management Personnel	177,152	146,839
	177,152	146,839

**13. CONTINGENT LIABILITIES**

The directors believe there are no contingent liabilities at balance date.

**14. EVENTS AFTER THE REPORTING PERIOD**

No events have occurred subsequent to 31 December 2018 that would material effect or influence the Financial Report as at that date.

**BANGALOW BOWLING & SPORTS CLUB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>15. STATEMENT OF CASH FLOWS</b>		
<b>a Reconciliation of Cash</b>		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:-		
Cash on Hand	7,261	20,748
Cash at Bank	<u>7,112</u>	<u>23,493</u>
Cash at the end of the financial year	<u>14,373</u>	<u>44,241</u>

For the purpose of this statement of cash flows, cash includes:-  
Cash on hand and at call deposits with bank or financial institutions.

**b Reconciliation of net cash used in operating activities to operating loss after income tax**

Operating Profit/(Loss) after income tax	(5,005)	57,228
Non-cash flows in Operating Profit		
Depreciation of Property Plant and equipment	<u>50,250</u>	<u>41,725</u>
Changes in assets and liabilities		
(Increase)/Decrease in Receivables	(11,528)	(5,879)
(Increase)/Decrease in Inventories	(5,866)	(879)
Increase/(Decrease) in Payables	(1,273)	5,240
(Decrease)/Increase in Employee Provisions	3,123	2,248
(Decrease)/Increase in Bank Overdraft	<u>592</u>	<u>(1,811)</u>
Net cash provided by operating activities	<u>30,293</u>	<u>97,872</u>

**16. FINANCIAL RISK MANAGEMENT**

**Financial Risk**

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, bank loans and overdrafts and leases.

The totals of each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	<b>2018</b>	<b>2017</b>
	\$	\$
Cash and cash equivalents	14,373	44,241
Trade and other receivables	<u>1,870</u>	<u>7,333</u>
<b>Total financial assets</b>	<b>16,243</b>	<b>51,574</b>
Trade and other payables	54,824	56,097
Borrowings	<u>454,887</u>	<u>306,427</u>
<b>Total financial liabilities</b>	<b>509,711</b>	<b>362,524</b>

**BANGALOW BOWLING & SPORTS CLUB LTD**  
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**DIRECTORS' DECLARATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

In accordance with a resolution of the Directors of Bangalow Bowling and Sports Club Ltd, the Directors of the company declare that:

1. The accompanying financial statements and notes, as set out on pages 6 to 19, 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 31 December 2018 and of the performance for the year ended on that date of the company.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director .....  
Gerard Swain

Director .....  
Jeffrey Nolan

Dated 5<sup>th</sup> May 2019

**BANGALOW BOWLING & SPORTS CLUB LTD**  
**ABN: 97 001 017 938**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**BANGALOW BOWLING & SPORTS CLUB LTD**

**Report on the Financial Report**

**Auditor's Opinion**

I have audited the financial report of Bangalow Bowling & Sports Club Ltd (the company), which comprises the statement of financial position as at 31 December 2018, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In my opinion, the accompanying financial report of Bangalow Bowling & Sports Club Ltd has been prepared in accordance with the Corporations Act 2001, including:

- i. giving a true and fair view of the company's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards - reduced Disclosure Requirements and the Corporations Regulations 2001.

**Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Responsibilities of the 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 a 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 relating 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**

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

**BANGALOW BOWLING & SPORTS CLUB LTD**  
**ABN: 97 001 017 938**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**BANGALOW BOWLING & SPORTS CLUB LTD**

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee
- 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 association's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the association 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

Paul Morris – Registered Company Auditor  
OnTrack Chartered Accountants

5<sup>th</sup> March 2019