

Toongabbie Sports and Bowling Club Limited

ABN 32 001 050 371

Annual Report - 30 June 2016

Toongabbie Sports and Bowling Club Limited

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30 June 2016

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Toongabbie Sports and 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:

David Nugent
Duane Gorry
Rob Brownlow
Tim Heyes
Trevor Lord
Ross Sinclair (Resigned 29 June 2016)
Peter Stankevicius

Operating results

The surplus of the company for the financial year after providing for income tax amounted to \$294,325 (2015: \$256,813 surplus).

Objectives

The Company's objective is to provide excellence in service and amenities for all members and guests and to foster, encourage, promote and control the development of sports within the local community through the sustainable management of a Registered Club business.

Short term objectives

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

Long term objectives

- 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

- 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.

Key performance indicators

- 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.

Future developments

The Company exchanged a Conditional Contract for the sale of approximately 5,000 SQM of land at the rear of the club on 8 January 2016 for \$5,000,000 excluding GST for the purposes of a Residential Aged Care Facility. At this time two (2) of the four (4) conditions have been met and both parties continue to work towards contract completion expected in early 2018.

Toongabbie Sports and Bowling Club Limited

Directors' report

30 June 2016

Significant changes in the year

No significant changes in the company's state of affairs occurred during the financial year.

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;
- The promotion of lawn bowls and sporting activities within the local community.

During the year, the Company acquired six gaming machine entitlements. The Company also acquired an additional investment property and continued its venture with a developer for a residential aged care facility.

Other than as noted above, no significant change in the nature of these activities occurred during the year.

Total number of members at year end is 7,520 (2015: 7,298).

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.

Information on directors

Name: David Nugent
Member: 17 years
Qualifications: State Manager
Years as club director: 12 years
Special responsibilities: Chairman

Name: Duane Gorry
Member: 14 years
Qualifications: Regional Business Unit Manager
Years as club director: 7 years
Special responsibilities: Vice Chairman, Treasurer

Name: Rob Brownlow
Member: 5 years
Qualifications: Banking Manager
Years as club director: 1 year

Name: Tim Heyes
Member: 16 years
Qualifications: Administration Manager
Years as club director: 4 years

Name: Trevor Lord
Member: 28 years
Qualifications: Retired Pharmacist
Years as club director: 3 years

Toongabbie Sports and Bowling Club Limited

Directors' report

30 June 2016

Name: Ross Sinclair
Member: 19 years
Qualifications: Retired Manager Constructions
Years as club director: 17 years (resigned 29 June 2016)

Name: Peter Stankevicius
Member: 27 years
Qualifications: Production Manager
Years as club director: 19 years

Meetings of directors

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

	Eligible Meetings	Meetings Attended
David Nugent	13	12
Duane Gorry	13	7
Rob Brownlow	13	10
Tim Heyes	13	13
Trevor Lord	13	11
Ross Sinclair	13	8
Peter Stankevicius	13	13

Held: represents the number of meetings held during the time the director held office.

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



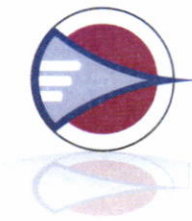
David Nugent
Director

31 August 2016

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INDEPENDENT AUDITOR'S DECLARATION TO THE MEMBERS OF TOONGABBIE SPORTS AND BOWLING CLUB LIMITED

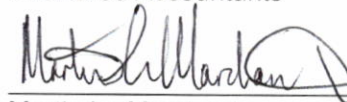
We hereby declare that to the best of our knowledge and belief during the year ended 30 June 2016, there have been:

- (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


Martin Le Marchant

Auditor's Registration No.

431227

Address

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated 31 August 2016



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION



Registered Company Auditors: David A McClelland FCA

Glenn A Harris CA

Martin Le Marchant CA

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOONGABBIE SPORTS AND BOWLING CLUB LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Toongabbie Sports and Bowling Club Limited 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 Toongabbie Sports and Bowling Club Limited 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



Martin Le Marchant

Auditor's Registration No.

431227

Address

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated 31 August 2016

Toongabbie Sports and Bowling Club Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
Revenue	4	4,628,756	4,283,643
Other income	5	50,031	22
Total revenue		<u>4,678,787</u>	<u>4,283,665</u>
Expenses			
Employee benefits expense		(1,013,921)	(1,001,444)
Cost of goods sales		(623,966)	(600,345)
Poker machine taxation		(353,845)	(317,935)
Club promotions		(323,714)	(333,465)
Depreciation and amortisation expense		(314,661)	(277,308)
Sports expenses		(214,735)	(198,565)
Entertainment expenses		(192,146)	(136,102)
Club grants		(164,771)	(38,450)
Function expenses		(150,864)	(166,497)
Utilities expenses		(125,892)	(119,870)
Raffle expenses		(122,440)	(127,524)
Superannuation		(88,473)	(84,945)
Repairs and maintenance expenses		(76,070)	(53,211)
Accounting fees		(71,204)	(44,742)
Cleaning expenses		(66,703)	(74,830)
Insurances		(65,376)	(82,300)
Security expenses		(58,439)	(60,926)
Legal expenses		(42,647)	(12,327)
Finance costs		(45,994)	(27,432)
Advertising and promotion expenses		(38,951)	(12,376)
Water expenses		(18,503)	(26,177)
Computer software expenses		(17,118)	(37,327)
TAB expenses		(16,167)	(15,000)
Loss on disposal of assets		(6,247)	-
Other expenses		(171,615)	(177,754)
Total expenses		<u>(4,384,462)</u>	<u>(4,026,852)</u>
Surplus before income tax expense		294,325	256,813
Income tax expense		-	-
Surplus after income tax expense for the year attributable to the members of Toongabbie Sports and Bowling Club Limited	20	294,325	256,813
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings, net of tax		-	2,247,799
Other comprehensive income for the year, net of tax		-	2,247,799
Total comprehensive income for the year attributable to the members of Toongabbie Sports and Bowling Club Limited		<u>294,325</u>	<u>2,504,612</u>

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

Toongabbie Sports and Bowling Club Limited
Statement of financial position
As at 30 June 2016

	Note	2016 \$	2015 \$
Assets			
Current assets			
Cash and cash equivalents	6	505,389	186,237
Trade and other receivables	7	21,818	19,414
Inventories	8	40,540	33,993
Prepayments	9	6,466	5,296
		<u>574,213</u>	<u>244,940</u>
Assets classified as held for sale	10	2,280,000	-
Total current assets		<u>2,854,213</u>	<u>244,940</u>
Non-current assets			
Investment properties	11	913,998	2,280,000
Property, plant and equipment	12	8,868,263	8,874,217
Intangibles	13	174,040	-
Total non-current assets		<u>9,956,301</u>	<u>11,154,217</u>
Total assets		<u>12,810,514</u>	<u>11,399,157</u>
Liabilities			
Current liabilities			
Trade and other payables	14	302,098	256,506
Borrowings	15	12,782	214,238
Employee benefits	16	147,498	157,988
Total current liabilities		<u>462,378</u>	<u>628,732</u>
Non-current liabilities			
Borrowings	17	1,499,999	200,000
Employee benefits	18	29,361	45,974
Total non-current liabilities		<u>1,529,360</u>	<u>245,974</u>
Total liabilities		<u>1,991,738</u>	<u>874,706</u>
Net assets		<u>10,818,776</u>	<u>10,524,451</u>
Equity			
Reserves	19	5,353,151	5,353,151
Retained surpluses	20	5,465,625	5,171,300
Total equity		<u>10,818,776</u>	<u>10,524,451</u>

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

Toongabbie Sports and Bowling Club Limited
Statement of changes in equity
For the year ended 30 June 2016

	Asset revaluation reserve \$	Capital surplus reserve \$	Retained surplus \$	Total equity \$
Balance at 1 July 2014	1,052,295	2,053,057	4,914,487	8,019,839
Surplus after income tax expense for the year	-	-	256,813	256,813
Other comprehensive income for the year, net of tax	2,247,799	-	-	2,247,799
Total comprehensive income for the year	2,247,799	-	256,813	2,504,612
Balance at 30 June 2015	<u>3,300,094</u>	<u>2,053,057</u>	<u>5,171,300</u>	<u>10,524,451</u>

	Asset revaluation reserve \$	Capital surplus reserve \$	Retained surplus \$	Total equity \$
Balance at 1 July 2015	3,300,094	2,053,057	5,171,300	10,524,451
Surplus after income tax expense for the year	-	-	294,325	294,325
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	294,325	294,325
Balance at 30 June 2016	<u>3,300,094</u>	<u>2,053,057</u>	<u>5,465,625</u>	<u>10,818,776</u>

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

Toongabbie Sports and Bowling Club Limited
Statement of cash flows
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		5,112,168	4,730,254
Payments to suppliers and employees (inclusive of GST)		<u>(4,475,253)</u>	<u>(4,212,915)</u>
		636,915	517,339
Interest received		31	22
Interest paid		<u>(45,994)</u>	<u>(27,432)</u>
Net cash from operating activities		<u>590,952</u>	<u>489,929</u>
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		500	-
Payments for property, plant and equipment		(282,805)	(145,937)
Payments for intangible assets		(174,040)	-
Payments for investment property		<u>(913,998)</u>	<u>-</u>
Net cash used in investing activities		<u>(1,370,343)</u>	<u>(145,937)</u>
Cash flows from financing activities			
Proceeds from borrowings		1,650,499	-
Repayment of borrowings		<u>(551,956)</u>	<u>(363,721)</u>
Net cash from/(used in) financing activities		<u>1,098,543</u>	<u>(363,721)</u>
Net increase/(decrease) in cash and cash equivalents		319,152	(19,729)
Cash and cash equivalents at the beginning of the financial year		<u>186,237</u>	<u>205,966</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>505,389</u></u>	<u><u>186,237</u></u>

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

Toongabbie Sports and Bowling Club Limited
Notes to the financial statements
30 June 2016

Note 1. General information

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

Toongabbie Sports and Bowling Club Limited is a non profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 August 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'), the and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

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.

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.

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.

Note 2. Significant accounting policies (continued)

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.

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.

Assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of an asset held for sale, but not in excess of any cumulative impairment loss previously recognised.

Assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Assets held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the company. Investment properties are initially recognised at fair value, and are subsequently remeasured at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

Note 2. Significant accounting policies (continued)

Property, plant and equipment

Land and buildings are held at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. 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	40 - 100 years
Leasehold improvements	3 - 10 years
Plant and equipment	3 - 7 years
Plant and equipment under lease	2 - 7 years

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

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

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.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

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.

Note 2. Significant accounting policies (continued)

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.

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, long service leave and accumulating sick 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. Non-accumulating sick leave is expensed to profit or loss when incurred.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are 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.

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

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 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.

Toongabbie Sports and 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.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

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

	2016	2015
	\$	\$
Poker machine revenue	2,298,328	2,114,919
Bar sales	1,508,141	1,433,592
Raffle, bingo and entertainment income	141,708	127,245
Sports sales	204,824	87,844
Rental income	77,168	60,473
Tab income	42,640	53,461
Keno sales	60,223	52,821
Function sales	173,773	211,068
Other sales	121,951	142,220
	<u>4,628,756</u>	<u>4,283,643</u>

Note 5. Other income

	2016	2015
	\$	\$
Interest received	31	22
Non-refundable deposit on sale of investment property	50,000	-
	<u>50,031</u>	<u>22</u>

Note 6. Current assets - cash and cash equivalents

	2016	2015
	\$	\$
Cash at bank and on hand	<u>505,389</u>	<u>186,237</u>

Toongabbie Sports and Bowling Club Limited
Notes to the financial statements
30 June 2016

Note 7. Current assets - trade and other receivables

	2016	2015
	\$	\$
Trade receivables	16,818	14,414
Security deposit	5,000	5,000
	<u>21,818</u>	<u>19,414</u>

Note 8. Current assets - inventories

	2016	2015
	\$	\$
Stock on hand - at cost	<u>40,540</u>	<u>33,993</u>

Note 9. Current assets - Prepayments

	2016	2015
	\$	\$
Prepayments	<u>6,466</u>	<u>5,296</u>

Note 10. Current assets - Assets classified as held for sale

	2016	2015
	\$	\$
Investment properties	<u>2,280,000</u>	<u>-</u>

The club intends to dispose of these properties as part of the development of a residential aged care facility. The properties were deemed non-core at the 2014 AGM.

The basis of the valuation of assets held for sale is fair value, being the lower of the carrying amount and fair value less costs to sell on recognition as of the assets as held for sale. The assets held for sale were last revalued on 4 July 2014 based on independent assessments by a member of the Australian Property Institute. The directors do not believe there has been a material movement in the carrying value since the revaluation date.

Note 11. Non-current assets - investment properties

	2016	2015
	\$	\$
4 Wentworth Avenue, Toongabbie - at independent valuation	<u>-</u>	<u>830,000</u>
6 Wentworth Avenue, Toongabbie - at independent valuation	<u>-</u>	<u>800,000</u>
8 Wentworth Avenue, Toongabbie - at independent valuation	<u>-</u>	<u>650,000</u>
10 Wentworth Avenue, Toongabbie - at fair value	<u>913,998</u>	<u>-</u>
	<u>913,998</u>	<u>2,280,000</u>

Toongabbie Sports and Bowling Club Limited
Notes to the financial statements
30 June 2016

Note 11. Non-current assets - investment properties (continued)

Valuations of investment properties

The basis of the valuation of investment properties is fair value, being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment. During the year the Club acquired the investment property at 10 Wentworth Avenue, Toongabbie. The directors consider there has been no change in the fair value of the property since acquisition date.

Note 12. Non-current assets - property, plant and equipment

	2016 \$	2015 \$
Freehold land - at valuation	1,780,919	1,780,919
Bowling greens - at valuation	1,019,081	1,019,081
	<u>2,800,000</u>	<u>2,800,000</u>
Land and buildings - at valuation	4,046,671	4,046,671
Plant and equipment - at cost	7,036,580	6,748,627
Less: Accumulated depreciation	<u>(5,014,988)</u>	<u>(4,721,081)</u>
	<u>2,021,592</u>	<u>2,027,546</u>
	<u><u>8,868,263</u></u>	<u><u>8,874,217</u></u>

Reconciliations

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

	Freehold land - at valuation \$	Bowling greens - at valuation \$	Land and buildings - at valuation \$	Plant and equipment - at cost \$	Total \$
Balance at 1 July 2015	1,780,919	1,019,081	4,046,671	2,027,546	8,874,217
Additions	-	-	-	315,454	315,454
Disposals	-	-	-	(6,747)	(6,747)
Depreciation expense	-	-	-	(314,661)	(314,661)
Balance at 30 June 2016	<u>1,780,919</u>	<u>1,019,081</u>	<u>4,046,671</u>	<u>2,021,592</u>	<u>8,868,263</u>

Valuations of land and buildings

The basis of the valuation of land and buildings is fair value, being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The land and buildings were last revalued on 30 June 2015, based on independent assessments by a member of the Australian Property Institute. The directors do not believe that there has been a material movement in fair value since the revaluation date.

Toongabbie Sports and Bowling Club Limited
Notes to the financial statements
30 June 2016

Note 12. Non-current assets - property, plant and equipment (continued)

Core Property and Non-Core Property

As required by the Registered Clubs Act 1976 (the "Act"), No 31 section 41J(2), the club's core and non-core property is as follows:

Core Properties

12 Station Road, Toongabbie. Lot 30/DP 1106209 [Subject and Conditional DA 545/2014, Lot 501/DP 1006209]

Non-Core Properties

Lot 502 DP/1106209, approximately 2350 square metres in size.

Which will be created after the subdivision of Lot 30/ DP 1106209 located near the rear of the club.

4 Wentworth Avenue, Toongabbie [Lot 9/DP 22506]

6 Wentworth Avenue, Toongabbie [Lot 8/DP 22506]

8 Wentworth Avenue, Toongabbie [Lot 7/DP 22506]

10 Wentworth Avenue, Toongabbie [Lot 6/DP 22506]

Note 13. Non-current assets - intangibles

	2016	2015
	\$	\$
Poker machine entitlements - at cost	<u>174,040</u>	<u>-</u>

Note 14. Current liabilities - trade and other payables

	2016	2015
	\$	\$
Trade payables	148,463	95,083
Poker machine payables	6,968	4,661
Members redeemable points	94,797	89,541
BAS payable	<u>51,870</u>	<u>67,221</u>
	<u>302,098</u>	<u>256,506</u>

Note 15. Current liabilities - borrowings

	2016	2015
	\$	\$
Credit card	2,335	558
Bank loan	-	80,000
Hire purchase	<u>10,447</u>	<u>133,680</u>
	<u>12,782</u>	<u>214,238</u>

Toongabbie Sports and Bowling Club Limited
Notes to the financial statements
30 June 2016

Note 16. Current liabilities - employee benefits

	2016	2015
	\$	\$
Annual leave	82,238	97,061
Long service leave	30,938	19,330
Sick leave	34,322	41,597
	<u>147,498</u>	<u>157,988</u>

Note 17. Non-current liabilities - borrowings

	2016	2015
	\$	\$
Bank loans	<u>1,499,999</u>	<u>200,000</u>

Total secured liabilities

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

	2016	2015
	\$	\$
Bank loans	1,499,999	280,000
Hire purchase	10,447	133,680
	<u>1,510,446</u>	<u>413,680</u>

Note 18. Non-current liabilities - employee benefits

	2016	2015
	\$	\$
Long service leave	<u>29,361</u>	<u>45,974</u>

Note 19. Equity - reserves

	2016	2015
	\$	\$
Revaluation surplus reserve	3,300,094	3,300,094
Capital profits reserve	2,053,057	2,053,057
	<u>5,353,151</u>	<u>5,353,151</u>

Note 20. Equity - retained surpluses

	2016	2015
	\$	\$
Retained surpluses at the beginning of the financial year	5,171,300	4,914,487
Surplus after income tax expense for the year	294,325	256,813
	<u>5,465,625</u>	<u>5,171,300</u>

Toongabbie Sports and Bowling Club Limited
Notes to the financial statements
30 June 2016

Note 21. Key management personnel disclosures

The aggregate compensation made to members of key management personnel of the company is \$238,297 (2015: \$231,088).

Note 22. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 21.

Transactions with related parties

The following transactions occurred with related parties:

	2016	2015
	\$	\$
Benefits approved by members at AGM:		
Honoraria	17,430	12,705
Meeting refreshments	5,164	3,550
Payment for other expenses:		
Other expenses paid to other related party - salaries and wages (C Sultana, related party of P Stankevicious)	18,467	17,683
Other expenses paid to other related party - High Roller Poker (T Heyes)	5,850	9,800

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 23. 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.

Note 24. Members' Guarantee

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding debts and obligation of the company. At 30 June 2016, total members were 7,520 (2015: 7,298).

Toongabbie Sports and 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



David Nugent
Director

31 August 2016