

# **Toongabbie Sports and Bowling Club Limited**

**ABN 32 001 050 371**

**Annual Report - 30 June 2015**

# Toongabbie Sports and Bowling Club Limited

## Contents

30 June 2015

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**Toongabbie Sports and Bowling Club Limited**  
**Directors' report**  
**30 June 2015**

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2015.

**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  
Stuart Bills (Retired 28 January 2015)  
Rob Brownlow (Appointed 28 January 2015)  
Tim Heyes  
Trevor Lord  
Ross Sinclair  
Peter Stankevicius

**Operating results**

The surplus of the company for the financial year after providing for income tax amounted to \$256,813 (2014: \$142 surplus).

Please see note 4 regarding the restatement of the 2014 results as required by Australian Accounting Standards.

**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 is undertaking due diligence with a developer for sale of 5000 SQM for the purpose of a residential aged care facility. Members should be broadly aware of the company's intent from the 2014 AGM wherein members declared the subject land to be non-core.

## Toongabbie Sports and Bowling Club Limited

### Directors' report

30 June 2015

#### Significant changes in the year

A new Auditor was appointed and approved by the Australian Securities and Investment Commission (ASIC) resulting in changes in the presentation of accounts, depreciation, valuations and employee entitlements. Please refer to note 4 for further information.

#### 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.

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

Total number of members at year end is 7,298 (2014: 7,227).

#### 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: 16 years  
Qualifications: State Manager  
Years as club director: 11 years  
Special responsibilities: Chairman

Name: Duane Gorry  
Member: 13 years  
Qualifications: Regional Business Unit Manager  
Years as club director: 6 years  
Special responsibilities: Vice Chairman, Treasurer

Name: Stewart Bills  
Member: 15 years  
Qualifications: Retired Retail Manager  
Years as club director: Retired 28 January 2015

Name: Rob Brownlow  
Member: 4 years  
Qualifications: Banking Manager  
Years as club director: Appointed 28 January 2015

Name: Tim Heyes  
Member: 15 years  
Qualifications: Administration Manager  
Years as club director: 3 years

**Toongabbie Sports and Bowling Club Limited**  
**Directors' report**  
**30 June 2015**

Name: Trevor Lord  
Member: 27 years  
Qualifications: Retired Pharmacist  
Years as club director: 2 years

Name: Ross Sinclair  
Member: 18 years  
Qualifications: Retired Building Estimator  
Years as club director: 16 years

Name: Peter Stankevicius  
Member: 26 years  
Qualifications: Production Manager  
Years as club director: 18 years

**Meetings of directors**

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2015, and the number of meetings attended by each director were:

	Eligible Meetings	Meetings Attended
David Nugent	12	9
Duane Gorry	12	12
Stewart Bills	7	6
Rob Brownlow	5	4
Tim Heyes	12	12
Trevor Lord	12	11
Ross Sinclair	12	9
Peter Stankevicius	12	12

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 on the following page.

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

15 September 2015



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## AUDIT PTY LTD

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

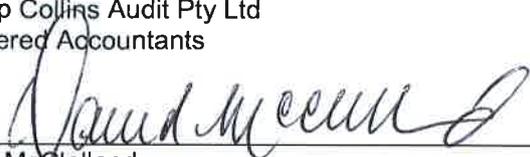
We hereby declare that to the best of our knowledge and belief during the year ended 30 June 2015, there have been:

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

**Name of Firm**

Bishop Collins Audit Pty Ltd  
Chartered Accountants

**Name of Registered Company Auditor**

  
David McClelland

**Auditor's Registration No.**

431227

**Address**

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

**Dated 15 September 2015**



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 2015, 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 auditors' 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 auditors consider 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*.



CHARTERED ACCOUNTANTS  
AUSTRALASIA - NEW ZEALAND

LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION





## Auditors' 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 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

**Name of Firm**

Bishop Collins Audit Pty Ltd  
Chartered Accountants

**Name of Registered Company Auditor**

  
\_\_\_\_\_  
David McClelland

**Auditor's Registration No.**

431227

**Address**

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

**Dated 15 September 2015**

**Toongabbie Sports and Bowling Club Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2015**

	Note	2015 \$	2014 \$
<b>Revenue</b>	5	4,283,643	3,758,358
Other income	6	22	500,056
Total revenue		<u>4,283,665</u>	<u>4,258,414</u>
<b>Expenses</b>			
Club promotions		(333,465)	(234,437)
Employee benefits expense		(1,001,444)	(1,137,072)
Depreciation and amortisation expense		(277,308)	(519,419)
Payroll tax		(16,202)	(16,686)
Rates		(9,361)	(10,967)
Rental property expenses		(9,868)	(4,972)
Security expenses		(60,926)	(66,685)
Superannuation		(84,945)	(82,160)
Water		(26,177)	(22,960)
Function expenses		(166,497)	(121,884)
Cost of sales		(600,345)	(580,527)
Advertising and promotion		(12,376)	(21,347)
Operating expenses		(14,569)	(17,406)
TAB expenses		(15,000)	(15,730)
Sports expenses		(198,565)	(206,232)
Repairs and maintenance		(53,211)	(64,645)
Taxation poker machine		(317,935)	(238,710)
Raffle expenses		(127,523)	(132,631)
Computer Software expenses		(37,328)	(20,420)
Insurance		(82,300)	(85,874)
Hire purchase		(1,434)	(2,978)
Accounting fee		(44,742)	(51,500)
Cleaning expenses		(74,830)	(92,636)
Utilities		(119,870)	(135,223)
Other expenses		(313,199)	(322,378)
Finance costs		(27,432)	(52,793)
Total expenses		<u>(4,026,852)</u>	<u>(4,258,272)</u>
<b>Surplus before income tax expense</b>		256,813	142
Income tax expense		-	-
<b>Surplus after income tax expense for the year</b>	19	256,813	142
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings, net of tax		<u>2,247,799</u>	<u>1,052,295</u>
Other comprehensive income for the year, net of tax		<u>2,247,799</u>	<u>1,052,295</u>
<b>Total comprehensive income for the year</b>		<u>2,504,612</u>	<u>1,052,437</u>

Refer to note 4 for detailed information on restatement of comparatives.

*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 2015**

	Note	2015 \$	2014 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	186,237	205,966
Trade and other receivables	8	19,414	35,998
Inventories	9	33,993	28,807
Prepayments	10	5,296	-
Total current assets		<u>244,940</u>	<u>270,771</u>
<b>Non-current assets</b>			
Investment properties	11	2,280,000	1,983,200
Property, plant and equipment	12	8,874,217	7,054,589
Total non-current assets		<u>11,154,217</u>	<u>9,037,789</u>
<b>Total assets</b>		<u>11,399,157</u>	<u>9,308,560</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	256,506	329,836
Borrowings	14	214,238	628,391
Employee benefits	15	157,988	141,994
Total current liabilities		<u>628,732</u>	<u>1,100,221</u>
<b>Non-current liabilities</b>			
Borrowings	16	200,000	149,568
Employee benefits	17	45,974	38,932
Total non-current liabilities		<u>245,974</u>	<u>188,500</u>
<b>Total liabilities</b>		<u>874,706</u>	<u>1,288,721</u>
<b>Net assets</b>		<u>10,524,451</u>	<u>8,019,839</u>
<b>Equity</b>			
Reserves	18	5,353,151	3,105,352
Retained surpluses	19	5,171,300	4,914,487
<b>Total equity</b>		<u>10,524,451</u>	<u>8,019,839</u>

Refer to note 4 for detailed information on restatement of comparatives.

**Toongabbie Sports and Bowling Club Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2015**

	<b>Asset revaluation reserve \$</b>	<b>Capital surplus reserve \$</b>	<b>Retained surplus \$</b>	<b>Total equity \$</b>
Balance at 1 July 2013	-	2,053,057	4,983,371	7,036,428
Adjustment for correction of error	-	-	(69,026)	(69,026)
Balance at 1 July 2013 - restated	-	2,053,057	4,914,345	6,967,402
Surplus after income tax expense for the year	-	-	142	142
Other comprehensive income for the year, net of tax	1,052,295	-	-	1,052,295
Total comprehensive income for the year	1,052,295	-	142	1,052,437
Balance at 30 June 2014	<u>1,052,295</u>	<u>2,053,057</u>	<u>4,914,487</u>	<u>8,019,839</u>

Refer to note 4 for detailed information on restatement of comparatives.

	<b>Asset revaluation reserve \$</b>	<b>Capital surplus reserve \$</b>	<b>Retained surplus \$</b>	<b>Total equity \$</b>
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>

*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 2015**

	Note	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		4,730,254	4,250,943
Payments to suppliers and employees (inclusive of GST)		<u>(4,212,915)</u>	<u>(4,173,874)</u>
		517,339	77,069
Interest received		22	56
Interest paid		<u>(27,432)</u>	<u>(52,793)</u>
Net cash from operating activities		<u>489,929</u>	<u>24,332</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of poker machine entitlements		-	500,000
Purchase of property, plant and equipment		<u>(145,937)</u>	<u>(465,174)</u>
Net cash from/(used in) investing activities		<u>(145,937)</u>	<u>34,826</u>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		<u>(363,721)</u>	<u>(286,578)</u>
Net cash used in financing activities		<u>(363,721)</u>	<u>(286,578)</u>
Net decrease in cash and cash equivalents		(19,729)	(227,420)
Cash and cash equivalents at the beginning of the financial year		<u>205,966</u>	<u>433,386</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>186,237</u></u>	<u><u>205,966</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 2015**

**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 15 September 2015. The directors have the power to amend and reissue the financial statements.

**Note 2. Significant accounting policies**

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

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

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

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

**Basis of preparation**

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

*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 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 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.

**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.

**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

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

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.

**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.

**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 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.

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

**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.

**Excess of current liabilities over current assets**

At 30 June 2015, the company's current liabilities (\$628,732) exceed its current assets (\$244,940) by \$383,792.

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

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

- The company's budget for 2016 has estimated a surplus;
- The company has access to an overdraft facility to meet short-term cash flow requirements;
- Current liabilities, including members redeemable points (\$89,541), will not require cash settlement; and
- It is not anticipated that employee entitlements of (\$157,988) will be extinguished by 30 June 2016.

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

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

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

*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.

**Toongabbie Sports and Bowling Club Limited**  
**Notes to the financial statements**  
**30 June 2015**

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

*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. Restatement of comparatives**

*Prior Period Restatement*

Subsequent to the release of the 30 June 2014 financial report, the board of directors identified an error in the measurement and disclosure of employee entitlements.

This error resulted in the restatement of the following line items for the year ended 30 June 2014:

- Current employee entitlements increased by (\$101,963);
- Non current employee entitlements increased by (\$38,932);
- Operating surplus decreased by (\$140,895).

Subsequent to the release of the 30 June 2014 financial report, the board of directors identified an error in the disclosure of the company's borrowings.

At 30 June 2014 borrowing of \$450,000 were disclosed as non current. However these borrowings were due and payable within 12 months of balance date. The company did not have an unconditional right to defer settlement or an agreement with the company's financier at balance date extending the term of the facility.

This resulted in the restatement of the following line items for the year ended 30 June 2014:

- Increase in current borrowings of \$450,000;
- Increase in current liabilities of \$450,000;
- Decrease in non current borrowing of \$450,000;
- Decrease in non current liabilities of \$450,000.

*Change in accounting policy*

Subsequent to the release of the 30 June 2014 financial report, the board of directors revised the measurement basis applied to the property, plant and equipment.

This revision resulted in the restatement of the following line items for the year ended 30 June 2014:

- Accumulated depreciation increased by (\$277,993);
- Non current assets decreased by (\$277,993);
- Operating surplus decreased by (\$277,993).

**Toongabbie Sports and Bowling Club Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 4. Restatement of comparatives (continued)**

During the financial year the board of directors reviewed the company's accounting policy relating to investment property. The board of directors are of the opinion that measuring investment property at fair value provides reliable and more relevant information on the company's financial position.

In accordance with Australian Accounting Standards, this change in accounting policy is required to be applied retrospectively to enable meaningful comparison of the company's financial position over time.

This resulted in the restatement of the following line items for the year ended 30 June 2014:

- Investment property increased by (\$1,052,295);
- Non current assets increased by (\$1,052,295);
- Asset revaluation reserve increased by (\$1,052,295).

*Statement of profit or loss and other comprehensive income*

<b>Extract</b>	<b>2014</b> <b>\$</b>	<b>\$</b>	<b>2014</b> <b>\$</b>
	<b>Reported</b>	<b>Adjustment</b>	<b>Restated</b>
<b>Expenses</b>			
Employee benefits expense	(1,078,032)	(69,736)	(1,147,768)
Depreciation and amortisation expense	(241,426)	(277,993)	(519,419)
Other operating expenses	(2,522,349)	(71,159)	(2,593,508)
<b>Surplus before income tax expense</b>	419,030	(418,888)	142
Income tax expense	-	-	-
<b>Surplus after income tax expense for the year</b>	419,030	(418,888)	142
<b>Other comprehensive income</b>			
Gain on the revaluation of land and buildings, net of tax	-	1,052,295	1,052,295
Other comprehensive income for the year, net of tax	-	1,052,295	1,052,295
<b>Total comprehensive income for the year</b>	419,030	633,407	1,052,437

**Toongabbie Sports and Bowling Club Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 4. Restatement of comparatives (continued)**

*Statement of financial position at the beginning of the earliest comparative period*

When there is a restatement of comparatives, it is mandatory to provide a third statement of financial position at the beginning of the earliest comparative period, being 1 July 2013. However as there were no adjustments made as at 1 July 2013, the company has elected not to show the 1 July 2013 statement of financial position.

*Statement of financial position at the end of the earliest comparative period*

<b>Extract</b>	<b>2014</b> <b>\$</b> <b>Reported</b>	<b>\$</b> <b>Adjustment</b>	<b>2014</b> <b>\$</b> <b>Restated</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Investment properties	930,905	1,052,295	1,983,200
Property, plant and equipment	7,332,583	(277,994)	7,054,589
Total non-current assets	<u>8,263,488</u>	<u>774,301</u>	<u>9,037,789</u>
<b>Total assets</b>	<u>8,539,194</u>	<u>769,366</u>	<u>9,308,560</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	332,616	(2,780)	329,836
Borrowings	180,545	447,846	628,391
Employee benefits	40,031	101,963	141,994
Total current liabilities	<u>553,192</u>	<u>547,029</u>	<u>1,100,221</u>
<b>Non-current liabilities</b>			
Borrowings	599,568	(450,000)	149,568
Employee benefits	-	38,932	38,932
Total non-current liabilities	<u>599,568</u>	<u>(411,068)</u>	<u>188,500</u>
<b>Total liabilities</b>	<u>1,152,760</u>	<u>135,961</u>	<u>1,288,721</u>
<b>Net assets</b>	<u>7,386,434</u>	<u>633,405</u>	<u>8,019,839</u>
<b>Equity</b>			
Reserves	2,053,057	1,052,295	3,105,352
Retained surpluses	5,333,377	(418,890)	4,914,487
<b>Total equity</b>	<u>7,386,434</u>	<u>633,405</u>	<u>8,019,839</u>

**Toongabbie Sports and Bowling Club Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 5. Revenue**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Poker machine revenue	2,114,919	1,792,172
Bar sales	1,433,592	1,372,584
Raffle, bingo and entertainment income	127,245	103,910
Sports sales	87,844	79,140
Rental income	60,473	59,445
Tab income	53,461	46,261
Keno sales	52,821	42,765
Function sales	211,068	112,770
Other sales	142,220	149,311
	<hr/>	<hr/>
Revenue	<u>4,283,643</u>	<u>3,758,358</u>

**Note 6. Other income**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Interest received	22	56
Sale of gaming entitlements	-	500,000
	<hr/>	<hr/>
Other income	<u>22</u>	<u>500,056</u>

**Note 7. Current assets - cash and cash equivalents**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	170,588	173,890
Cash on deposit	15,649	32,076
	<hr/>	<hr/>
	<u>186,237</u>	<u>205,966</u>

**Note 8. Current assets - trade and other receivables**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	14,414	30,998
Security deposit	5,000	5,000
	<hr/>	<hr/>
	<u>19,414</u>	<u>35,998</u>

**Note 9. Current assets - inventories**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Stock on hand - at cost	33,993	28,807
	<hr/>	<hr/>
	<u>33,993</u>	<u>28,807</u>

**Toongabbie Sports and Bowling Club Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 10. Current assets - Prepayments**

	2015 \$	2014 \$
Prepayments	<u>5,296</u>	<u>-</u>

**Note 11. Non-current assets - investment properties**

	2015 \$	2014 \$
4 Wentworth Avenue, Toongabbie - at independent valuation	<u>830,000</u>	<u>661,054</u>
6 Wentworth Avenue, Toongabbie - at independent valuation	<u>800,000</u>	<u>661,054</u>
8 Wentworth Avenue, Toongabbie - at independent valuation	<u>650,000</u>	<u>661,092</u>
	<u>2,280,000</u>	<u>1,983,200</u>

*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. The investment properties are revalued periodically, at least every three to five years, based on independent assessments by a member of the Australian Property Institute.

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

	2015 \$	2014 \$
Freehold land - at valuation	1,780,919	540,000
Bowling Greens - at valuation	<u>1,019,081</u>	<u>309,000</u>
	<u>2,800,000</u>	<u>849,000</u>
Land and buildings - at valuation	<u>4,046,671</u>	<u>4,046,671</u>
Plant and equipment - at cost	6,748,627	6,602,689
Less: Accumulated depreciation	<u>(4,721,081)</u>	<u>(4,443,771)</u>
	<u>2,027,546</u>	<u>2,158,918</u>
	<u>8,874,217</u>	<u>7,054,589</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.

Prior to the 30 June 2015 revaluation, land and buildings were independently revalued on 30 June 2012. For the financial years ending 30 June 2013 and 30 June 2014, land and buildings were fair valued by the board of directors.

**Toongabbie Sports and Bowling Club Limited**  
**Notes to the financial statements**  
**30 June 2015**

**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]

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

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Trade payables	95,083	204,848
Poker machine payables	4,661	2,871
Members redeemable points	89,541	76,952
BAS payable	67,221	45,165
	<u>256,506</u>	<u>329,836</u>

**Note 14. Current liabilities - borrowings**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Credit card	558	3,306
Bank loan	80,000	450,000
Hire purchase	133,680	175,085
	<u>214,238</u>	<u>628,391</u>

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

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Annual leave	97,061	89,020
Long service leave	19,330	17,850
Sick leave	41,597	35,124
	<u>157,988</u>	<u>141,994</u>

**Toongabbie Sports and Bowling Club Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 16. Non-current liabilities - borrowings**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Bank loan	200,000	-
Hire purchase	-	149,568
	<u>200,000</u>	<u>149,568</u>

*Total secured liabilities*

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

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Credit card	558	3,306
Bank loan	280,000	450,000
Hire purchase	133,680	324,653
	<u>414,238</u>	<u>777,959</u>

*Assets pledged as security*

The bank overdraft and loans are secured by first mortgages over the company's land and buildings.

**Note 17. Non-current liabilities - employee benefits**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Long service leave	45,974	38,932

**Note 18. Equity - reserves**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Revaluation surplus reserve	3,300,094	1,052,295
Capital profits reserve	2,053,057	2,053,057
	<u>5,353,151</u>	<u>3,105,352</u>

**Note 19. Equity - retained surpluses**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Retained surpluses at the beginning of the financial year	4,914,487	4,914,345
Surplus after income tax expense for the year	256,813	142
	<u>5,171,300</u>	<u>4,914,487</u>

**Note 20. Key management personnel disclosures**

The aggregate compensation made to members of key management personnel of the company is: \$138,979 (2014: \$131,979).

**Toongabbie Sports and Bowling Club Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 21. Related party transactions**

*Key management personnel*

Disclosures relating to key management personnel are set out in note 20.

*Transactions with related parties*

The following transactions occurred with related parties:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Benefits approved by members at AGM:		
Honoraria	12,705	10,560
Meeting refreshments	3,550	1,936
Payment for other expenses:		
Other expenses paid to other related party - salaries and wages (P Stankevicius)	17,683	17,410
Other expenses paid to other related party - High Roller Poker (T Heyes)	9,800	9,400

*Receivable from and payable to related parties*

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

*Loans to/from related parties*

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

*Terms and conditions*

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

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

No matter or circumstance has arisen since 30 June 2015 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 23. 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 2015, total members were 7,298 (2014: 7,227).

**Toongabbie Sports and Bowling Club Limited**  
**Directors' declaration**  
**30 June 2015**

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 2015 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



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David Nugent  
Director

15 September 2015