



**Port Macquarie City Bowling Club**  
**Annual Report & Financial Statements**  
**Year End May 2016**



**Port Macquarie City Bowling Club Limited**  
**ABN 71 001 056 211**

**FINANCIAL REPORT**  
**For the Year Ended 31st May, 2016**

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**Annual Reports and Balance Sheet  
For The Year Ended  
May 31st, 2016**

**OFFICE BEARERS**

**CHAIRMAN**

Chris King

**DEPUTY CHAIRMAN**

Wayne Evans

**DIRECTORS**

Robyn Biddle

Jeffrey Pattinson

Leigh Hardingham

Tony Newell

Paul Webster

**CEO**

Russell Stockham

**OPERATIONS MANAGER**

Glen Stewart

**FINANCE MANAGER**

Claudia Buckby

**AUDITORS**

Northcorp

**Port Macquarie City Bowling Club Limited**

**ABN 71 001 056 211**

**NOTICE**

**THE ANNUAL GENERAL MEETING WILL BE HELD IN THE CLUB ROOMS  
ON SATURDAY 24th SEPTEMBER 2016 at 9:30AM**

**AGENDA**

**BUSINESS OF THE MEETING SHALL INCLUDE:**

Confirmation of minutes from the previous Annual Meeting.

1. To receive reports from the Board of Directors.
2. To receive and consider the income and expenditure accounts, the balance sheet and report of the auditor.
3. (a) To approve the payments of the following honorarium as recommended by the Board for the year ended 2016. All honorariums to be paid pro rata to their service.

CHAIRMAN.....\$6,000.00

DEPUTY CHAIRMAN.....\$4,000.00

(b) That the remaining five (5) Directors receive an honorarium of \$3,000 each for the year 2017.

4. To consider the following recommendations from the Board of Directors for the provisions of:
  - (a) The reasonable cost of beverages for each Director immediately after a Board of Directors meeting.

- (b) Reasonable expenses incurred by Directors in relation to such other duties including entertainment of special guests to the club and other promotional activities performed by Directors which activities and the expenses are approved by the Board before payment is made on production of proper documentation of expenditure.
  - (c) Reasonable expenses for the holding of annual end of term of office dinner for Board of Directors, their special guests and dignitaries.
  - (d) The reasonable cost of Directors and their spouses attending the General Meetings of affiliated professional associations.
  - (e) The reasonable cost of Directors attending seminars, lectures, trade displays and other similar events as may be determined by the Board of Directors from time to time.
- 5. To declare the results of the election of Directors.
  - 6. General Business
- 

## **NOTICE TO MEMBERS**

Any financial member of the Club attending the Annual General Meeting who needs clarification on any matter relating to the Financial Statements contained herein is requested to please submit your questions in writing to the C.E.O. no later than the 19th September 2016, so that your questions may be answered fully at the meeting. Any member requiring a detailed profit and loss account please contact the undersigned.

**Russell Stockham**  
**C.E.O.**

## CHAIRMAN'S REPORT

It is with pleasure that I present my report to our members.

At the outset it is with sincere sympathy to the bereaved of our departed members, they will be sadly missed.

---

Geoffrey Staines	Ronald Cronin
Colleen Dee	Jim Mitchell
Marie Bartels	Conrad Rowland
Patrick Clifford	Craig Julian
Thomas Hayes	Earl Ward
Marea Woprner	Christopher Munday
Robert Elford	Max Lynch
Judith O'Grady	Clifford Kiehne
Ronald Whitehead	Janette Maskill
Ronald Links	Bettina Munday
Partricia Alcock	Jay Rickwood
Doreen Swan	Ronald Fiore
Milton McNamara	Frank Edwards
Paul Sonter	Julie Ann Ferrier
Noel Haysfeld	Vera Beck
Dorothy Wedlock	Gerritdima Blevins
Ronald Lawrence	Lucille Mahony
Michael Thomas	Eric Hickman
Patricia Davis	Keith Edward
Yvonne Ison	Miklos Markotanyos
William Moss	Noel Sole
Joyce Hutchison	Beth Horne
Virginia Core	

We have had a very busy year driven by the need to listen to members and the need to change to ensure we survive in a competitive environment.

Our main focus has been the extension and refurbishment of the club premises.

As I write this report I am pleased to say that these renovations are nearly complete and our vision of being a locally owned family entertainment venue is about to be realised. My thanks to our members for their patience, cooperation and assistance during this disruptive period of renovations.

I am confident that our members will be very proud of their new look club. The board through the CEO did revise our budgets to take into account the impact of the renovations on our trading and I pleased to say that your club did exceed this revised budget, posting a modest profit of \$ 316,000. Our poker machine revenue was again down on previous years but we are confident that our new gaming rooms will help turn this result around.

We are also confident that our new cafe, bar and restaurant along with our children's play areas will attract more families and new members to our club.

The management of our club buffet has recently changed hands and it was encouraging to hear that initial feedback indicates an improvement in the quality of food and increased patronage. Exciting new changes are proposed for this area in August, which will result in wider selection of food choices for our members.

Over the last year, the board paid particular attention to ensuring the club had good corporate governance in place, including the recent release of its 2016-2020 strategic plan, development of key policies and placing greater rigor around risk and audit compliance. I am pleased to say that the club has received an unqualified audit report from our auditors.

The Bowls Coordinator in collaboration with the men's and ladies bowling clubs have done a fantastic job in putting on events to encourage new members and increasing participation levels. We congratulate both the men's and the ladies on all their tournaments this year and the results that they have achieved. Particularly the men's grade 5 pennant side and the ladies open fours.

I would like to take this opportunity to thank our CEO Russell Stockham, his management and staff for not only the help they have given the board over the past year but the excellent work they have undertaken, particularly during a period of renovations. Their level of service to our members continues to be at the highest level and the recognition they consistently receive is well deserved. We are so lucky to have such a great team.

My thanks to all our loyal members for supporting us over the past years and I am sure you will continue to enjoy your club.

In closing my report it would be remiss of me not to thank my board of directors for the work they have achieved this year. They have attended courses and seminars and kept up with new legislation and attended a number of extra meetings due to the renovations and refurbishment and corporate governance matters.

**Chris King**  
**Chairperson**

## CEO's REPORT

The end of another very challenging year. Building commenced in October 2015 and we have seen the renovation come out of the ground over the last 10 months. We would like to thank members for their patience during this period as the club underwent a number of disruptions, changes to entry, reception and parking conditions.

The renovations obviously had an impact on trade. The club originally budgeted for a loss during the renovation period but management adjusted the budget after the later than expected start date. The club has reported a profit of \$316,042 against our revised budget profit of \$160,000. This is an extremely pleasing result. Revenue increased by \$158k mainly due to the club taking over café operations with café sales amounting to \$241k. Bar sales were down by 2.34%, gaming net revenue increased by 1.34% due to gaming achieving lower Return to Player percentage. Gaming turnover actually decreased by 6% for the financial year.

The management team worked diligently to control costs especially with the expected decline in trade expected from the renovations. Overall, expenses increased by 320k. Advertising and entertainment expenses increased \$56k as additional entertainment and incentives were provided for members during the renovation period. Wage costs increased by \$202k due to staffing the café and a 2% general wage increase in July 2015. Taking over café operations also resulted in Inventories increasing by \$110k.

A final cost for the renovations and internal refurbishment is not available at the time of writing as the renovation /refurbishments are still underway. As with most building projects there have been variations due to latent conditions and changes authorised by the board. The Board built into the budget a contingency amount and have worked hard with management to ensure that both projects will not exceed budget.

Additional facilities added so far have included the construction of indoor and outdoor children's play areas, while further costs have been incurred for a water detention area in the car park (required by council), removal of asbestos and sub- standard soil base under the green .Additional cost was also incurred in having to move our data, CCTV, gaming hardware and cabling three times to keep the club operating. At the time of writing the club will come in under its budget for the project.

The process was completed in May 2016 with a copy available on the club's website. Further, a number of policies were formalised by relevant committees and adopted by the Board including but not limited to a Sub Club Funding Policy, Remuneration Policy, Communication Policy and Risk Management Policy. Further, the Risk and Internal Audit Committee identified and documented in a Risk register potential areas of concern to the club. Actions and plans have been instituted to minimise these risks.

The Board continues to ensure the Club makes a meaningful contribution to the community and this year the Club has contributed over \$408k to the local community. This support takes the form of cash donations, sponsorships, in kind support such as room and green hire fees waived and the provision of substantial bowling facilities.

On the bowls front congratulations to both the Men's and Ladies Bowling Clubs who have both achieved high honours this year with the Men's Grade 5 Pennants team reaching the State Finals. I would also like to thank both committee's for their cooperation and assistance this year and wish the incoming committee's similar success this year. I would also like to thank the number of members who attended our Focus groups this year to help the Board and management gain a greater appreciation of what members want from their club.

Port Macquarie City Bowling Club staff have demonstrated again and again that they are the most dedicated team of managers and service staff. I am proud to be a part of the team as they continue to go above and beyond in delivering service to our members. From their everyday service to all the little extras such as raising \$23k for the Leukaemia Foundation in the World's Greatest Shave. Two staff members have achieved enviable goals this year with Mick Garrihy achieving 35 and Sharron Betts 30 years' employment at Port City. Congratulations to both on their milestones.

I lastly would like to express my thanks to Chairman Chris King and his fellow Directors for their guidance and support during this year. They have worked diligently in their endeavours as well being extremely supportive of the management team and staff.

Lastly, to you our members, thank you for your continued loyalty and support and we look forward to you enjoying the great new facilities at your club in the coming year.

**Russell Stockham**  
**C.E.O.**

**CLUB LIMITED PATRON MEMBER**

Robert Langham

**CLUB LIMITED LIFE MEMBERS**

Ron Limbert, Bob Kane, Neville Schwartz, Rex Holihan

**MEN'S BOWLING CLUB LIFE MEMBERS**

Mervyn Green, Reg Lucas, Noel Paterson, Alan Ison, Terry Schollum

**WOMEN'S BOWLING CLUB LIFE MEMBERS**

Norma Schwartz, Frances Green, Robyn Biddle, Shirley Devine

# PORT CITY BOWLING CLUB IN THE COMMUNITY

**Port City Bowling Club is proud to support community, sporting, social and charity groups – *your local* supporting our locals!**

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Port Macquarie Croquet Club	National Seniors Network
Hastings Valley Vikings Rugby Union Club	Give Me 5 for Kids
Port City Magpies Leagues Cricket Club	Port Macquarie Croquet Club
Port Macquarie Historical Society	Salvation Army
Port Macquarie Cerebral Palsy Alliance Committee	Hastings Bream and Bass Fishing Club
Alzheimer's Australia NSW	Mayor's Sporting Fund
Port Macquarie Junior AFL	Port Macquarie Body Boarders
Heritage Car Club	Landcare
Port Macquarie Bridge Club	News Watch Discussion Group
Blue Water Fishing Club	Mid North Coast Retired Police
St Vincent de Paul Society NSW	Gideon's Bible Group
Port Macquarie Fly Rodders	Hastings Early Intervention Program
Port City Angling Club	Motor Neurone Disease Association NSW
JP's Association NSW	Port Macquarie Surf Board Riders
Terry Kelly	Cancer Council NSW
Hastings Senior Social Club	Head Space
Probus Club of Oxley Memorial Bowls Day	Garden Village Port Macquarie
Jeans for Genes Day	Hastings Fly Fishers
Port Macquarie Probus Club	Huntington Primary School
Heartkids NSW Incorporated	Gentle Exercises
Mixed Probus Clubs of Port Macquarie	Koala Preservation Society Australia Inc
Association of Independent Retirees	Volunteers Marine Rescue Port Macquarie
Men of League Foundation	Masons & Friends Incorporated
Residents Action Network	NSW Aboriginal Land Council
NEWIDAFE	Oxley Probus Club
Quota International	Port Macquarie Animal Welfare
Port City Junior Breakers	Endeavour Mental Health
Women's Domestic Violence Court Advocacy	Alzheimer's Australia
Port Macquarie Community College	Hastings Early Intervention
Port Macquarie Public School	Neighbourhood Centre
Youth Hub Girl Space	Port Macquarie Chamber of Commerce
Hastings Public School	

# **Port Macquarie City Bowling Club Limited**

**ABN 71 001 056 211**

## **Financial Statements**

**For the Year Ended 31 May 2016**

# Port Macquarie City Bowling Club Limited

ABN 71 001 056 211

## Financial Statements

For the Year Ended 31 May 2016

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# Port Macquarie City Bowling Club Limited

ABN 71 001 056 211

## DIRECTORS' REPORT

31 May 2016

Your Directors present their report on the Company for the financial year ended 31 May 2016.

### Directors

The names of the Directors in office at any time during or since the end of the financial year are:

Christopher KING

Wayne EVANS

Anthony NEWELL

Robyn BIDDLE

Jeff PATTINSON

Paul WEBSTER

(Appointed 19/09/2015)

Leigh HARDINGHAM

(Appointed 19/09/2015)

Michael HAYES

(Resigned 19/09/2015)

Bruce THOMPSON

(Resigned 19/09/2015)

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

### Short-Term Objectives

The short-term objectives of the Company are to:

- To provide support for community groups and to provide a place for these groups to meet;
- Sponsor and support local sporting groups and community organisations;
- Continue to promote and improve member facilities;
- Provide entertainment, food and beverages for the members and visitors at reasonable prices.

### Long-Term Objectives

The long term objectives of the Company are to:

- Increase the Club's membership;
- Extend, renovate and improve the Club's facilities;
- Improve the Club's financial position;
- Promote the Club as the hub of the community that brings members and guests together.

# **Port Macquarie City Bowling Club Limited**

**ABN 71 001 056 211**

## **DIRECTORS' REPORT**

**31 May 2016**

### **Strategies**

To achieve the objectives of the Company the following strategies have been adopted:

- Retain and engage suitably qualified and experienced employees to provide the best possible service and maintain the Club's facilities;
- Providing entertainment, bowls tournaments and promotions to attract patronage to the Club;
- Offer high quality, reasonably priced meals and beverages;
- Conducting promotions throughout the year for the benefit of members and their guests.
- Annual development of a financial budgets and monthly monitoring of financial performance and financial position to ensure the Club operates within its financial capabilities.

### **Principal Activities**

The principal activities of the Company during the financial year was the conduct of a licensed Bowling Club.

No significant change in the nature of this principal activity occurred during the financial year.

### **Means by which Principal Activities Assisted in Achieving the Company's Objectives**

The profit and cash flows generated from the Company's principal activities were utilised in achieving the Company's objectives.

### **Key Performance Measures**

The Company measures and monitors performance by comparing actual monthly results to budgets and past performance. The Company reviews key performance indicators such as membership numbers, gross profit margins and trading results of key income areas such as bar, bistro and poker machine operations.

### **Members' Guarantee**

Port Macquarie City Bowling Club Limited 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 \$20 towards meeting any outstanding obligations of the Company. At 31 May 2016 there were 11,404 members with a collective liability of \$228,080.

### **Auditor's Independence Declaration**

A copy of the lead auditor's independence declaration as required under section 307c of the Corporations Act 2001 has been received and is included in this financial report.

# Port Macquarie City Bowling Club Limited

ABN 71 001 056 211

## DIRECTORS' REPORT

31 May 2016

### Core and Non-Core Property

Core property is defined as any real property owned by the Club that comprises the defined premises of the Club or any facility provided by the Club for the use of its members and their guests. Core property of the Club consists of the land occupied by the Clubhouse and bowling greens at 4 Owen Street and the carpark on the corner of Owen and Church Street, Port Macquarie New South Wales.

Non-core property of the Club means any real property owned by the Club that is not core property. Non-core property consists of 7-9 Church Street, Port Macquarie New South Wales.

### Meetings of Directors

During the financial year, 12 monthly meetings and 7 special meetings of Directors were held during the year. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Christopher KING	19	19
Wayne EVANS	19	17
Anthony NEWELL	19	18
Robyn BIDDLE	19	18
Jeff PATTINSON	19	11
Paul WEBSTER	13	12
Leigh HARDINGHAM	13	12
Michael HAYES	6	6
Bruce THOMPSON	6	4

# Port Macquarie City Bowling Club Limited

ABN 71 001 056 211

## DIRECTORS' REPORT

31 May 2016

### Information on Current Directors

Christopher KING

Qualifications

Commerce Certificate Diploma, Certificate III in Corporate Governance, Justice of the Peace. Member Club Directors Institute, CDI Mandatory Courses completed.

Experience

Director Port City Bowling Club 2 years. Past member of 3 Club Boards in Western Sydney, Vice President Port Macquarie Blue Water Fishing Club.

Special Responsibilities

Chairperson of the Board of Directors  
Sub Club Committee  
Building Committee  
Risk and Internal Audit Committee  
Policy Sub Committee  
Remuneration Committee

Wayne EVANS (OAM)

Qualifications

Retired Magistrate, Non practising Barrister. Member Club Directors Institute. CDI Mandatory Courses completed.

Experience

Director of Port Macquarie City Bowling Club for 2 years.

Special Responsibilities

Deputy Chairman  
Sub Club Committee  
Risk & Internal Audit Committee.

Anthony NEWELL

Qualifications

Administration in Construction, Tourism, Sport and Welfare Businesses. Director of Family Dry Cleaning Company for 11 years, Justice of the Peace. CDI Mandatory Courses completed. Member Club Directors Institute.

Experience

Director of Port Macquarie City Bowling Club for 8 years.

Special Responsibilities

Treasurer  
Building Committee  
Club Grants Committee  
WHS Committee Board delegate

Robyn BIDDLE

Qualifications

Qualified Hairdresser, Managed Hair Salon for 6 years, Tourist Trades 14 years, Bowls Shop for 4 years. CDI Mandatory Courses completed. Member Club Directors Institute.

Experience

Director of Port Macquarie City Bowling Club for 14 years, Chairperson for 1 year.

Special Responsibilities

Building Committee  
Sub Club Committee  
Remuneration Committee

# Port Macquarie City Bowling Club Limited

ABN 71 001 056 211

## DIRECTORS' REPORT

31 May 2016

### Information on Current Directors (continued)

Jeff PATTINSON

Qualifications

Diploma Health Administration (DipHA), Certificate Hospital Administration (CHA), Fellow Australian Institute of Company Directors (FAICD), Fellow Australian Mutual Institute (FAIM).

Experience

Director Port City Bowling Club 2 years. 42 years Hospital/Health Administration, 8 years General Manager Port Macquarie Base Hospital, Kempsey and Wauchope Hospitals and Community Health Services, Chairman Holiday Coast Credit Union for 6 years, Member Club Directors Institute CDI Mandatory Courses completed.

Special Responsibilities

Remuneration Committee  
Policy Sub Committee  
Risk and Internal Audit Committee

Paul WEBSTER

Qualifications

Public High School teacher for 35 years. BEc. DipEd GDES (Computing). Bowls Organiser 2015. Men's Club Committee member 2015. Member Club Directors Institute. CDI Mandatory Courses completed.

Experience

Director Port Macquarie City Bowling Club 1 year.

Special Responsibilities

Sub Club Committee  
Club Grants Committee  
Policy Sub Committee

Leigh HARDINGHAM

Qualifications

Stock and Station Agent Auctioneer for 12 years. Small business owner for 3 Years. Service Manager 26 years and General Manager for 4 years of a Toyota Dealership.

Experience

Director Port City Bowling Club 1 year. Secretary Group 16CRL for 4 years. Secretary Sapphire Coast Turf Club and Bega District Jockey Club for 14 years. Steering Committee for Sapphire Coast for 10 years. Director Sapphire Coast Turf Club 4 years and Life Member. Member of Club Directors Institute. CDI Mandatory Courses Completed.

Special Responsibilities

Building Sub Committee

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

Chairperson:.....

  
Christopher KING

Dated: 25 July 2016



NorthCorp  
accountants

**PARTNERS**

Robert Magnussen B Bus FCA

Paul Fahey B Bus CA

Rodney Smith B Fin Admin FCA

Tony Faulder B Com CPA Affiliate ICAA

Bart Lawler B Com CA

Patrick Brennan B Com CA

**AUDITOR'S INDEPENDENCE DECLARATION**

**Under Section 307C of the *Corporations Act 2001***

**To the Directors of Port Macquarie City Bowling Club Limited**

I declare that, to the best of my knowledge and belief, during the year ended 31 May 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.

**NorthCorp Accountants**

**Bart Lawler**  
**Partner**

**10-12 Short Street**  
**Port Macquarie NSW 2444**

**Dated: 25 July 2016**



Chartered Accountants

Suites 1-3 Bourne House, 10-12 Short Street, PO Box 166, Port Macquarie NSW 2444

51 Cameron Street, PO Box 75, Wauchope NSW 2446

T 02 6588 4444 F 02 6583 4527 E [northcorp@northcorp.com.au](mailto:northcorp@northcorp.com.au) [www.northcorp.com.au](http://www.northcorp.com.au)

Liability Limited by a scheme approved under Professional Standards Legislation

# Port Macquarie City Bowling Club Limited

ABN 71 001 056 211

## STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 May 2016

		2016	2015
	Note	\$	\$
Revenue	2(a)	8,615,825	8,457,735
Other income	2(b)	27,149	-
		<b>8,642,974</b>	<b>8,457,735</b>
Changes in inventories	3	5,917	(5,051)
Inventories purchased	3	(1,107,050)	(996,495)
Advertising and promotion		(666,357)	(610,537)
Bad and doubtful debts	3	-	(53,360)
Bowls expenses		(72,684)	(104,179)
Depreciation	3	(974,708)	(966,911)
Donations		(137,442)	(134,139)
Electricity and gas		(225,937)	(270,165)
Employee benefits expense		(2,380,584)	(2,178,308)
Entertainment		(375,809)	(366,154)
Bingo and raffle prizes		(136,944)	(147,243)
Insurance		(121,052)	(121,718)
Other poker machine expenses		(133,788)	(87,841)
Poker machine supplementary tax		(902,385)	(881,607)
Rates and taxes		(158,672)	(145,194)
Repairs and maintenance		(430,949)	(489,141)
Other expenses		(508,488)	(448,105)
		<b>(8,326,932)</b>	<b>(8,006,148)</b>
<b>Profit before income tax</b>		<b>316,042</b>	<b>451,587</b>
Income tax expense	1(a)	-	-
<b>Profit for the year</b>		<b>316,042</b>	<b>451,587</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>316,042</b>	<b>451,587</b>
Profit attributable to members of the entity		<b>316,042</b>	<b>451,587</b>
Total comprehensive income attributable to members of the entity		<b>316,042</b>	<b>451,587</b>

These financial statements should be read in conjunction with the attached Independent Auditor's Report  
The accompanying notes form part of these financial statements.

# Port Macquarie City Bowling Club Limited

ABN 71 001 056 211

## STATEMENT OF FINANCIAL POSITION

31 May 2016

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	2,322,798	2,762,926
Trade and other receivables	5	169,351	128,262
Inventories	6	71,056	65,139
Other assets	7	29,662	29,221
<b>Total current assets</b>		<b>2,592,867</b>	<b>2,985,548</b>
<b>Non-current assets</b>			
Intangible assets	8	84,000	84,000
Property, plant and equipment	9	15,918,687	13,006,834
<b>Total non-current assets</b>		<b>16,002,687</b>	<b>13,090,834</b>
<b>TOTAL ASSETS</b>		<b>18,595,554</b>	<b>16,076,382</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	653,691	635,732
Borrowings	11	186,961	97,592
Other current liabilities	12	94,740	90,934
Short-term provisions	13	305,894	325,862
<b>Total current liabilities</b>		<b>1,241,286</b>	<b>1,150,120</b>
<b>Non-current liabilities</b>			
Borrowings	11	2,162,204	50,100
Long-term provisions	13	44,015	44,155
<b>Total non-current liabilities</b>		<b>2,206,219</b>	<b>94,255</b>
<b>TOTAL LIABILITIES</b>		<b>3,447,505</b>	<b>1,244,375</b>
<b>NET ASSETS</b>		<b>15,148,049</b>	<b>14,832,007</b>
<b>EQUITY</b>			
Retained earnings		15,148,049	14,832,007
<b>TOTAL EQUITY</b>		<b>15,148,049</b>	<b>14,832,007</b>

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The accompanying notes form part of these financial statements.

# Port Macquarie City Bowling Club Limited

ABN 71 001 056 211

## STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 May 2016

### 2016

	Retained Earnings	Total
	\$	\$
Balance at 1 June 2015	<b>14,832,007</b>	<b>14,832,007</b>
Profit attributable to members of the Company	<b>316,042</b>	<b>316,042</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>316,042</b>	<b>316,042</b>
<b>Balance at 31 May 2016</b>	<b>15,148,049</b>	<b>15,148,049</b>

### 2015

	Retained Earnings	Total
	\$	\$
Balance at 1 June 2014	14,380,420	14,380,420
Profit attributable to members of the Company	451,587	451,587
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>451,587</b>	<b>451,587</b>
<b>Balance at 31 May 2015</b>	<b>14,832,007</b>	<b>14,832,007</b>

These financial statements should be read in conjunction with the attached Independent Auditor's Report  
The accompanying notes form part of these financial statements.

# Port Macquarie City Bowling Club Limited

ABN 71 001 056 211

## STATEMENT OF CASH FLOWS

For the Year Ended 31 May 2016

	Note	2016 \$	2015 \$
<b>Cash from operating activities:</b>			
Receipts from customers		9,354,289	9,234,626
Payments to suppliers and employees		(8,317,432)	(7,851,862)
Interest received		40,538	40,676
<b>Net cash provided by (used in) operating activities</b>		<b>1,077,395</b>	<b>1,423,440</b>
<b>Cash flows from investing activities:</b>			
Proceeds from sale of property, plant and equipment		44,280	2,545
Purchase of property, plant and equipment		(3,763,276)	(730,422)
<b>Net cash provided by (used in) investing activities</b>		<b>(3,718,996)</b>	<b>(727,877)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from borrowings		2,298,913	137,260
Repayment of borrowings		(97,440)	(89,168)
<b>Net cash provided by (use in) financing activities</b>		<b>2,201,473</b>	<b>48,092</b>
<b>Net cash increase (decreases) in cash and cash equivalents</b>		<b>(440,128)</b>	<b>743,655</b>
Cash and cash equivalents at beginning of financial year		2,762,926	2,019,271
<b>Cash and cash equivalents at end of year</b>	4	<b>2,322,798</b>	<b>2,762,926</b>

These financial statements should be read in conjunction with the attached Independent Auditor's Report  
The accompanying notes form part of these financial statements.

# Port Macquarie City Bowling Club Limited

ABN 71 001 056 211

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2016

The financial report is for Port Macquarie City Bowling Club Limited as an individual entity, incorporated and domiciled in Australia. Port Macquarie City Bowling Club Limited is a Company limited by guarantee.

### Note 1. Summary of Significant Accounting policies

#### Basis of preparation

Port Macquarie City Bowling Club Limited applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

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

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report was authorised for issue on 25 July 2016 by the Board of Directors.

#### (a). Income tax

The Company has been granted an exemption from income tax under Section 50-45 of the *Income Tax Assessment Act 1997*. The exempt status of the Company applies indefinitely or until such time as a change in circumstances warrants a review of the exempt status.

#### (b). Inventories

Inventories are measured at the lower of cost and net realisable value.

#### (c). Property, plant and equipment

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

#### Property

Freehold land and buildings are measured on the cost basis.

#### Plant and equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses.

In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised in the statement of comprehensive income. An assessment of recoverable amount is made when impairment indicators are present (refer to Note 1( g) for details of impairment).

# Port Macquarie City Bowling Club Limited

ABN 71 001 056 211

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2016

### Note 1. Summary of Significant Accounting policies (continued)

#### (c). Property, plant and equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

#### **Depreciation**

The depreciable amount of all fixed assets, including buildings and capitalised leased assets but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<b><i>Class of Fixed Asset</i></b>	<b><i>Depreciation Rate</i></b>
Buildings and freehold improvements at cost	2.5 - 20%
Plant and Equipment	10 - 20%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in the statement of comprehensive income in the period in which they arise.

#### (d). Intangible assets

##### **Poker Machine Licences**

Poker machine licences are recognised at cost of acquisition. Poker machine licences are tested annually for impairment and carried at cost less accumulated impairment losses.

#### (e). Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

#### (f). Financial Instruments

##### **Initial Recognition and Measurement**

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

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

# Port Macquarie City Bowling Club Limited

ABN 71 001 056 211

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2016

### Note 1. Summary of Significant Accounting policies (continued)

#### (f). Financial Instruments (continued)

##### **Classification and Subsequent Measurement**

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- less any reduction for impairment.

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

##### ***Financial assets at fair value through profit and loss***

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

##### ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost.

Loans and receivables are classified as current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

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

Held-to-maturity financial assets are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity financial assets are classified as non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

# Port Macquarie City Bowling Club Limited

ABN 71 001 056 211

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2016

### Note 1. Summary of Significant Accounting policies (continued)

#### (f). Financial Instruments (continued)

##### ***Available-for-sale financial assets***

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are subsequently measured at fair value.

Available-for-sale financial assets are classified as non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

##### ***Financial liabilities***

Non-derivative financial liabilities are subsequently measured at amortised cost.

##### **Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions and reference to similar instruments.

##### **Impairment**

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset has been impaired. In the case of available-for-sale financial assets, a prolonged decline in the market value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised immediately in the statement of comprehensive income.

#### (g). Impairment of assets

At the end of each reporting period, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite useful lives.

##### **Poker machine licences**

Poker machine licences have been determined to have an indefinite useful life as the Company has no intention to sell poker machine licences.

# Port Macquarie City Bowling Club Limited

ABN 71 001 056 211

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2016

### Note 1. Summary of Significant Accounting policies (continued)

#### (h). Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

#### (i). Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

#### (j). Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the Company during the reporting period which remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### (k). Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

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

Revenue from investment properties is recognised on an accruals basis or straight-line basis in accordance with lease agreements.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

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

#### (l). Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

# Port Macquarie City Bowling Club Limited

ABN 71 001 056 211

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2016

### Note 1. Summary of Significant Accounting policies (continued)

#### (m). Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### (n). Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

#### (o). Critical accounting estimates and judgments

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

#### ***Key Estimates - Impairment***

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised in respect of assets at reporting date.

#### ***Key Judgments - Provisions***

Included in provisions at 31 May 2016 is an amount provided for poker machine bonus points. The amount provided does not represent the aggregate balance of poker machine bonus points accrued as the Directors believe that the aggregate balance of the bonus points is not likely to be redeemed in full.

# Port Macquarie City Bowling Club Limited

ABN 71 001 056 211

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2016

### Note 2. Revenue and Other Income

#### (a). Revenue

	Note	2016 \$	2015 \$
<b>Sale of goods:</b>			
Bar sales		2,408,079	2,465,741
Cafe sales		241,321	-
		<u>2,649,400</u>	<u>2,465,741</u>
<b>Other revenue:</b>			
Bingo		115,485	104,066
Bistro and coffee shop rental		123,673	147,003
Commissions and rebates		296,009	306,404
Green and competition fees		161,678	140,002
Interest received		40,538	40,676
Members' subscriptions		89,132	89,716
Poker machines (net of payouts)		4,947,710	4,881,954
Other revenue		192,200	282,173
		<u>8,615,825</u>	<u>8,457,735</u>
<b>Total Revenue</b>			

#### (b). Other income

Net gain on sale of plant and equipment	27,149	-
<b>Total revenue and other income</b>	<u>8,642,974</u>	<u>8,457,735</u>

### Note 3. Profit for the year

#### (a). Expenses

##### Cost of goods sold:

Bar trading	981,609	1,001,546
Cafe trading	119,524	-
	<u>1,101,133</u>	<u>1,001,546</u>

##### Depreciation

Buildings and improvements	297,963	301,286
Plant and equipment	676,745	665,625
	<u>974,708</u>	<u>966,911</u>

##### Bad and doubtful debts

Deed of agreement - Ms Williams	-	53,360
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# Port Macquarie City Bowling Club Limited

ABN 71 001 056 211

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2016

### Note 4. Cash and cash equivalents

	Note	2016 \$	2015 \$
Cash at bank and on hand		<b>2,322,798</b>	2,762,926

#### Reconciliation of Cash

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are reconciled to items in the statement of financial position as follows:

Cash and cash equivalents		<b>2,322,798</b>	2,762,926
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### Note 5. Trade and Other Receivables

#### Current

Deed of agreement - Ms Williams	(a).	<b>133,360</b>	133,360
Provision for impairment		<b>(133,360)</b>	(133,360)
		-	-

Other receivables		<b>169,351</b>	128,262
		<b>169,351</b>	128,262

(a) The Club holds a second mortgage over a property owned by Ms Williams. However, there is uncertainty as to the sale proceeds available to the Club to extinguish the debt.

### Note 6. Inventories

#### Current

#### Finished Goods - at Cost

Bar and cafe stock		<b>71,056</b>	65,139
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### Note 7. Other Assets

#### Current

Prepayments		<b>29,662</b>	29,221
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### Note 8. Intangible assets

#### Poker Machine Licences

Poker machine licences at cost		<b>84,000</b>	84,000
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#### (a). Movements in Poker Machine Licences

Opening balance		<b>84,000</b>	84,000
Additions		-	-
Disposals		-	-
<b>Closing balance</b>		<b>84,000</b>	84,000

# Port Macquarie City Bowling Club Limited

ABN 71 001 056 211

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2016

### Note 9. Property Plant and Equipment

	2016 \$	2015 \$
<b>Land and Buildings</b>		
<b>Freehold land</b>		
Freehold land at cost	3,144,871	3,144,871
Total freehold land	3,144,871	3,144,871
<b>Buildings and freehold improvements</b>		
Buildings and freehold improvements at cost	16,177,527	13,014,271
Less accumulated depreciation	(5,688,623)	(5,390,660)
Total buildings and freehold improvements	10,488,904	7,623,611
<b>Total land and buildings</b>	13,633,775	10,768,482
<b>Plant and Equipment</b>		
Plant and equipment at cost	9,746,948	9,123,413
Less accumulated depreciation	(7,462,036)	(6,885,061)
<b>Total plant and equipment</b>	2,284,912	2,238,352
<b>Total property, plant and equipment</b>	15,918,687	13,006,834

#### (a). Movements in Carrying Amounts

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

	Freehold land \$	Buildings and freehold improvements \$	Plant and Equipment \$	Total \$
Balance at 1 June 2015	3,144,871	7,623,611	2,238,352	13,006,834
Additions	-	3,163,256	742,768	3,906,024
Disposals	-	-	(19,463)	(19,463)
Depreciation expense	-	(297,963)	(676,745)	(974,708)
<b>Balance at 31 May 2016</b>	<b>3,144,871</b>	<b>10,488,904</b>	<b>2,284,912</b>	<b>15,918,687</b>

# Port Macquarie City Bowling Club Limited

ABN 71 001 056 211

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2016

### Note 10. Trade and Other Payables

	2016	2015
	\$	\$
<b>Current</b>		
<b>Unsecured liabilities</b>		
Trade payables	355,376	206,537
Other payables and accrued expenses	298,315	429,195
	<b>653,691</b>	<b>635,732</b>

### Note 11. Borrowings

<b>Current</b>			
<b>Unsecured liabilities</b>			
Other equipment loans	11(b)	50,252	97,592
<b>Secured liabilities</b>			
Bank loan	11(a)(b)	136,709	-
<b>Total current borrowings</b>		<b>186,961</b>	<b>97,592</b>
<b>Non-Current</b>			
<b>Unsecured liabilities</b>			
Other equipment loans	11(b)	-	50,100
<b>Secured liabilities</b>			
Bank loan	11(a)(b)	2,162,204	-
<b>Total non-current borrowings</b>		<b>2,162,204</b>	<b>50,100</b>
<b>Total borrowings</b>		<b>2,349,165</b>	<b>147,692</b>
<b>(a). The carrying amounts of non-current assets pledged as security are:</b>			
Property, plant and equipment		15,918,687	13,006,834
		<b>15,918,687</b>	<b>13,006,834</b>

### (b). Collateral Provided

#### Bank Loan and Bank Overdraft

The bank loan and bank overdraft are secured by registered first mortgage over the freehold land and buildings of the Company and a fixed and floating charge over the assets and uncalled capital of the Company. The Club maintains a bank overdraft facility of \$100,000 with its banker. The amount of the facility was unused as at 31 May 2016. The bank overdraft is secured by a first mortgage over freehold properties owned by the Club and a fixed and floating charge over the business.

#### Other Equipment Loans

Equipment loans are unsecured and comprise of finance contracts for the purchase of poker machines with 3 year terms. The loans are interest free.

# Port Macquarie City Bowling Club Limited

ABN 71 001 056 211

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2016

### Note 12. Other Liabilities

	2016	2015
	\$	\$
<b>Current</b>		
Subscriptions and income in advance	94,740	90,934
	<b>94,740</b>	<b>90,934</b>

### Note 13. Provisions

	Employee benefits	Other provisions	Total
	\$	\$	\$
Opening balance at 1 June 2015	354,554	15,463	370,017
Additional / (utilised) provisions	(33,323)	13,215	(20,108)
Balance at 31 May 2016	<b>321,231</b>	<b>28,678</b>	<b>349,909</b>

### Analysis of Total Provisions

	2016	2015
	\$	\$
Current	305,894	325,862
Non-current	44,015	44,155
	<b>349,909</b>	<b>370,017</b>

### Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for the provision includes the total amount accrued for annual leave entitlements and amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service.

These amounts are classified as current liabilities since the Company does not have an unconditional right to defer settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion of the provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

# Port Macquarie City Bowling Club Limited

ABN 71 001 056 211

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2016

### Note 14. Capital and Leasing Commitments

#### (a). Capital Expenditure Commitments

	2016	2015
	\$	\$
Contracted commitments for:		
- Buildings and improvements	1,888,621	-
- Plant and equipment	51,541	-
	<u>1,940,162</u>	<u>-</u>
Payable:		
- not later than one year	1,940,162	-
- between one year and five years	-	-
- later than five years	-	-
	<u>1,940,162</u>	<u>-</u>

### Note 15. Key Management Personnel Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of that entity. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The aggregate compensation of key management personnel during the financial year comprising amounts paid or payable or provided for was as follows:

	2016	2015
	\$	\$
Short-term employee benefits	165,084	162,264
Post-employment benefits	12,917	12,202
Other long-term benefits	13,460	16,627
Termination benefits	-	-
	<u>191,461</u>	<u>191,093</u>

### Note 16. Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

# Port Macquarie City Bowling Club Limited

ABN 71 001 056 211

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 May 2016

### Note 17. Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, cash on hand, accounts receivable and payable, bank loans and other borrowings.

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

	Note	2016 \$	2015 \$
<b>Financial Assets</b>			
Cash and cash equivalents	4	2,322,798	2,762,926
Trade and other receivables	5	169,351	128,262
<b>Total financial assets</b>		<u>2,492,149</u>	<u>2,891,188</u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
Trade and other payables	10	653,691	635,732
Bank loan	11	2,298,913	-
Other equipment loans	11	50,252	147,692
<b>Total financial liabilities</b>		<u>3,002,856</u>	<u>783,424</u>

### Net fair value

The net fair values of financial assets and financial liabilities approximates their carrying values. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

### Note 18. Company Details

The registered office and principal place of business of the Company is:

Port Macquarie City Bowling Club Limited  
4 Owen Street  
Port Macquarie NSW 2444

# Port Macquarie City Bowling Club Limited

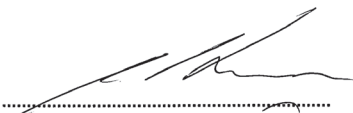
ABN 71 001 056 211

## DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Port Macquarie City Bowling Club Limited, the Directors of the Company declare that:

1. The financial statements, comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to and forming part of the financial statements, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements and
  - (b) give a true and fair view of the financial position of the Company as at 31 May 2016 and of its performance for the year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Chairperson:   
Christopher KING

Dated: 25 July 2016



NorthCorp  
accountants

PARTNERS  
Robert Magnussen B Bus FCA  
Paul Fahey B Bus CA  
Rodney Smith B Fin Admin FCA  
Tony Faulder B Com CPA Affiliate ICAA  
Bart Lawler B Com CA  
Patrick Brennan B Com CA

## Independent Auditor's Report to the Members of Port Macquarie City Bowling Club Limited

### Report on the Financial Report

We have audited the accompanying financial report of Port Macquarie City Bowling Club Limited, which comprises the Statement of Financial Position as at 31 May 2016, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

### *Directors' Responsibility for the Financial Statements*

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal controls as the Directors determine is necessary to enable the preparation of 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 judgement, 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.



CHARTERED ACCOUNTANTS  
AUSTRALIA • NEW ZEALAND

Chartered Accountants

Suites 1-3 Bourne House, 10-12 Short Street, PO Box 166, Port Macquarie NSW 2444  
51 Cameron Street, PO Box 75, Wauchope NSW 2446

T 02 6588 4444 F 02 6583 4527 E [northcorp@northcorp.com.au](mailto:northcorp@northcorp.com.au) [www.northcorp.com.au](http://www.northcorp.com.au)

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**NorthCorp**  
accountants

PARTNERS  
Robert Magnussen B Bus FCA  
Paul Fahey B Bus CA  
Rodney Smith B Fin Admin FCA  
Tony Faulder B Com CPA Affiliate ICAA  
Bart Lawler B Com CA  
Patrick Brennan B Com CA

## **Independent Auditor's Report to the Members of Port Macquarie City Bowling Club Limited**

### ***Independence***

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

### ***Opinion***

In our opinion, the financial report of Port Macquarie City Bowling Club Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Company's financial position as at 31 May 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

### **NorthCorp Accountants**

**Bart Lawler**  
Partner

**10-12 Short Street  
Port Macquarie NSW 2444**

**Dated: 25 July 2016**



Chartered Accountants  
Suites 1-3 Bourne House, 10-12 Short Street, PO Box 166, Port Macquarie NSW 2444  
51 Cameron Street, PO Box 75, Wauchope NSW 2446  
T 02 6588 4444 F 02 6583 4527 E northcorp@northcorp.com.au www.northcorp.com.au  
Liability Limited by a scheme approved under Professional Standards Legislation



Port Macquarie City Bowling Club  
4 Owen Street, Port Macquarie 2444

**Club Reception** 6583 1133  
**Bowls Office** 6583 1153

[www.portcity.com.au](http://www.portcity.com.au)