

**SAWTELL BOWLING & RECREATION CLUB LTD**  
**ABN 20 001 064 535**

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**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2018**

SAWTELL BOWLING & RECREATION CLUB LTD  
ABN 20 001 064 535

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2018

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<u>Contents</u>	<u>PAGE</u>
Understanding the Financial Statements	1
Directors' Report	2
Auditors' Independence Declaration	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	20
Independent Auditors' Report	21
Disclaimer	24
Detailed Trading, Income and Expenditure Statements	25

**UNDERSTANDING THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2018**

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Introduction

Each year, Sawtell Bowling & Recreation Club Limited is required to prepare and have audited a set of financial statements.

What you will find in the Financial Statements

The Financial Statements set out the financial performance, financial position and cash flows of the company for the financial year ended 30 April 2018.

The format of the Financial Statements is standard across company's and complies with both the accounting and reporting requirements of Australian Accounting Standards and requirements as set down in the Corporations Act 2001.

About the Directors Report

The Directors Report outlines information relating to the directors who held office during the financial year, and any changes to this board that has occurred until the date of signing.

The Directors Report also outlines the short and long term objectives of the Company and the strategies that the Directors have put in place to achieve these objectives. This report also outlines the key performance indicators that the Directors look at on a regular basis.

About the Primary Financial Statements

The Financial Statements incorporate four "primary" financial statements:

**1. Statement of Profit or Loss and Other Comprehensive Income**

A summary of the Company's financial performance for the year, listing all income and expenses.

Also records changes in fair values of assets including property, plant and equipment.

**2. Statement of Financial Position**

A snapshot of the Company's financial position as at 30 April including all its Assets and Liabilities.

**3. Statement of Changes in Equity**

The overall change for the year (in dollars) of the Company's "net wealth".

**4. Statement of Cash Flows**

Indicates where the Company's cash came from and where it was spent.

About the Notes to the Financial Statements

The Notes to the Financial Statement provide greater detail and additional information on the four primary financial

About the Auditor's Report

The Company's Financial Statements are required to be audited by a Registered Company Auditor in line with the Corporations Act 2001.

The Auditor provides an opinion on whether the Financial Statements present fairly the Company's financial performance and position for the financial year and an Auditors Independence Statement confirming that the auditors have complied with Australian Professional Ethical Standards in the performance of the audit engagement.

About the Disclaimer

This report advises that any pages in the financial statements after this page have not been subjected to audit procedures and have been compiled from the financial data provided by the company.

Detailed Trading, Income and Expenditure Statements

These pages provide additional breakdown of the information contained in the statement of comprehensive income.

Who uses the Financial Statements?

These financial statements are used by members, financiers and government regulators in various capacities.

**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 30 APRIL 2018**

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Your directors present their report on the company for the financial year ended 30 April 2018.

**Principal Activities**

The company's principal activities are the operation of a registered club for the purposes of promoting bowling and other recreational activities.

These principal activities assist in achieving the short term and long term objectives of the company by:

- providing sporting facilities for the members and the community.
- providing entertainment, dining, gaming and social facilities for members and the community.
- providing turnover, cash flow and profit to meet the financial objectives of the company.

**Short Term and Long Term Objectives**

The company has identified the following short term objectives:

- to provide services to members commensurate with industry needs and regulatory requirements.
- to repay the funds borrowed for the club refurbishment in the short term.
- to encourage more members to use club and sporting facilities.
- to meet financial viability and accountability requirements.
- to provide a workplace that is compliant with industry standards and the Fair Work Act.

The company has identified the following long term objectives:

- to ensure a sustainable company.
- to continue to be financially secure.
- to grow the company operations in accordance with member interests.

**Strategies**

To achieve its stated objectives, the company has adopted the following strategies:

- the preparation of a business and strategic plan that identifies the future for the company and the initiatives that will need to be implemented to promote the company.
- the preparation of an annual budget for financial performance and the regular review of the company performance against the budget by management and directors.
- the review of the company compliance with workplace health and safety and compliance with employment law including the Fair Work Act.
- the preparation of a business and strategic plan to identify the opportunities and strengths of the company to provide a sustainable company.
- the preparation of long term budgets that consider the member service needs, infrastructure needs, service delivery, employment costs and maintaining prudent levels of working capital and liquidity in investment of funds surplus to current requirements.

**Performance Measurement**

The company uses the following key performance indicators to measure performance:

- Surplus, after income tax expense, for the financial year was \$21,036.
- Cash flow from operating activities for the financial year was \$281,460.
- Membership numbers for the financial year was 2,608.

**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 30 APRIL 2018**

**Directors Information**

**Directors**

The names of the directors in office at any time during, or since the end of, the year and the period that each director has been in office:

<b>Directors Name</b>	<b>Special Responsibilities</b>	<b>Period as Director</b>	<b>Qualifications and Experience</b>
Nigel G Lamond	Chairman	Appointed 19 May 2009	Small business owner for 17 years Farmer 23 years
Colin P Bourke	Vice Chairman	Appointed 26 July 2014	Retired adult trainer
Katherine M Gill	Treasurer	Appointed 29 July 1998	Retired School Teacher Director 20 years, Treasurer 19 years
Jon S Townsend	Director	Appointed 26 July 2014	Retired service station proprietor
Nola G Chadd	Director	Appointed 26 July 2014	Retired clerical and teachers aide
Judith Degnan	Director	Appointed 24 February 2015	Retired business owner
Paul Covington	Director	Appointed 14 August 2016	Employed by Super Radio as Station Manager Grafton/Coffs. Worked in media since 1985. Councillor on Grafton City Council 2000-2003.

**Company Secretary**

James Gallen was appointed as the company secretary on 15 July 2015. James has worked in the Registered Clubs industry for 25 years.

**Meetings of Directors**

During the financial year, 12 meetings of directors (including committees of directors and special meetings) were held and the attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Nigel G Lamond	12	11
Colin P Bourke	12	11
Katherine M Gill	12	12
Jon S Townsend	12	12
Nola G Chadd	12	12
Judith Degnan	12	11
Paul Covington	12	10

**SAWTELL BOWLING & RECREATION CLUB LTD**  
**ABN 20 001 064 535**

**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 30 APRIL 2018**

**Membership Details**

The Sawtell Bowling and Recreation Club Limited is a public company limited by guarantee and no shares or options are issued. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the company.

Membership Class	Number of Members	Individual Members Contribution on winding up of Company	Total Members Contribution on winding up of Company
Life / Honorary	7	\$ 2	\$ 14
Bowling	253	\$ 2	\$ 506
Social	2,348	\$ 2	\$ 4,696
Total	2,608	\$ 2	\$ 5,216

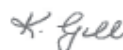
**Auditors' Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to these financial statements.

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



Nigel G Lamond  
Chairman



Katherine M Gill  
Treasurer

Dated: 21 June 2018

**AUDITORS' INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATION ACT 2001  
TO THE DIRECTORS OF  
SAWTELL BOWLING & RECREATION CLUB LTD**

**ABN 20 001 064 535**

I declare that, to the best of my knowledge and belief, during the financial year to 30 April 2018 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.

**CROWE HORWATH CENTRAL NORTH**



**Kylie Ellis**  
**Audit Partner**  
Registered Company Auditor (ASIC RAN 483424)  
107 West High Street  
COFFS HARBOUR NSW 2450

Dated: 21 June 2018

**SAWTELL BOWLING & RECREATION CLUB LTD**  
**ABN 20 001 064 535**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 APRIL 2018**

	Note	2018 \$	2017 \$
Sales revenue	3	1,123,096	1,096,959
Cost of goods sold	4	<u>(469,826)</u>	<u>(433,384)</u>
Gross profit		<u>653,270</u>	<u>663,575</u>
Other revenue	3	1,043,269	1,017,164
Administration expenses		(86,910)	(87,399)
Depreciation expense	4	(196,296)	(176,978)
Employee benefits expense	4	(627,432)	(617,742)
Finance costs	4	(61,022)	(66,807)
Occupancy expenses		(229,936)	(227,011)
Other expenses		<u>(473,907)</u>	<u>(474,157)</u>
<b>Surplus before income tax expense attributable to members</b>		<b>21,036</b>	<b>30,645</b>
Income tax expense	1(b)	<u>-</u>	<u>-</u>
<b>Surplus after income tax expense</b>		<b>21,036</b>	<b>30,645</b>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year attributable to members</b>		<b>21,036</b>	<b>30,645</b>



**SAWTELL BOWLING & RECREATION CLUB LTD**  
**ABN 20 001 064 535**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 APRIL 2018**

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	72,926	93,469
Trade and other receivables	6	10,143	9,899
Inventories	7	29,954	29,001
Financial assets	8	160	160
Other assets	9	21,434	8,526
<b>TOTAL CURRENT ASSETS</b>		<b>134,617</b>	<b>141,055</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	10	3,273,348	3,307,618
Intangible assets	11	397,308	397,308
<b>TOTAL NON CURRENT ASSETS</b>		<b>3,670,656</b>	<b>3,704,926</b>
<b>TOTAL ASSETS</b>		<b>3,805,273</b>	<b>3,845,981</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	134,667	98,835
Borrowings	13	137,889	188,425
Provisions	14	80,381	74,348
Other liabilities	15	36,953	39,073
<b>TOTAL CURRENT LIABILITIES</b>		<b>389,890</b>	<b>400,681</b>
<b>NON CURRENT LIABILITIES</b>			
Trade and other payables	12	39,772	-
Borrowings	13	902,690	995,764
Provisions	14	2,349	-
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>944,811</b>	<b>995,764</b>
<b>TOTAL LIABILITIES</b>		<b>1,334,701</b>	<b>1,396,445</b>
<b>NET ASSETS</b>		<b>2,470,572</b>	<b>2,449,536</b>
<b>EQUITY</b>			
Retained surpluses		2,470,572	2,449,536
<b>TOTAL EQUITY</b>		<b>2,470,572</b>	<b>2,449,536</b>

**SAWTELL BOWLING & RECREATION CLUB LTD**  
**ABN 20 001 064 535**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 APRIL 2018**

	Retained Surpluses \$	Total \$
<b>Balance at 1 May 2016</b>	2,418,891	2,418,891
Surplus after income tax expense	30,645	30,645
Total other comprehensive income for the year, net of tax	-	-
<b>Balance at 30 April 2017</b>	<u>2,449,536</u>	<u>2,449,536</u>
Surplus after income tax expense	21,036	21,036
Total other comprehensive income for the year, net of tax	-	-
<b>Balance at 30 April 2018</b>	<u>2,470,572</u>	<u>2,470,572</u>

**SAWTELL BOWLING & RECREATION CLUB LTD**  
**ABN 20 001 064 535**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 APRIL 2018**

	Note	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		2,350,844	2,279,343
Payments to suppliers and employees		(2,008,362)	(1,974,806)
Interest received		-	29
Finance costs		(61,022)	(66,807)
Net cash provided by operating activities		281,460	237,759
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		5,499	-
Purchase of property, plant and equipment		(163,892)	(164,700)
Net cash used in investing activities		(158,393)	(164,700)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	86,964
Repayment of borrowings		(143,610)	(202,803)
Net cash used in financing activities		(143,610)	(115,839)
Net (decrease) in cash held		(20,543)	(42,780)
Cash at the beginning of the financial year		93,469	136,249
Cash at the end of the financial year	5(a)	72,926	93,469

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2018**

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**Note 1: Statement of Significant Accounting Policies**

**Basis of Preparation**

The financial statements cover Sawtell Bowling and Recreation Club Limited as an individual entity. Sawtell Bowling and Recreation Club Limited is a public company limited by guarantee, incorporated and domiciled in Australia.

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.

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 amounts presented in the financial statements have been rounded to the nearest dollar.

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 1 (p).

The financial statements were authorised for issue, in accordance with a resolution of directors on 21 June 2018.

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.

**Accounting Policies**

**(a) Revenue**

*Sales revenue*

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvements in those goods.

*Interest revenue*

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 the right to receive the income has been established.

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

**(b) Income Tax**

The directors consider that the company is exempt from income tax in accordance with Section 50-45 of the Income Tax Assessment Act 1997.

**(c) 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 exchange or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in 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.

**(d) 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2018

**(e) Inventories**

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

**(f) Property, Plant and Equipment**

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

**Property**

Freehold land and buildings are shown at cost less depreciation and impairment losses.

**Plant and Equipment**

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

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining the recoverable amounts.

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 profit or loss and other comprehensive income during the financial period in which they are incurred.

**Depreciation**

The depreciable amount of all fixed assets including building 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 asset are:

Class of Fixed Asset	Depreciation Rate
Land and Buildings	2.5-10%
Indoor Plant & Equipment	10-25%
Outdoor Plant & Equipment	10-20%
Poker Machines	25-33%

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

An assets' carrying amount is written down immediately to its recoverable amount if the assets' 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 included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**(g) Intangibles**

**Poker Machine Entitlements**

The poker machine entitlements shown in the accounts represent licences held by the club. If the company were to be wound up or the number of entitlements were in excess of requirements then the poker machine entitlements would be able to be sold at the prevailing market price. Poker machine entitlements are intangible assets classified with an indefinite life. The intangible asset is subject to annual impairment testing to the higher of fair value less related costs to sell and value in use.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2018**

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**(h) Impairment of Assets**

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value of its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

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

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

**(i) Trade and Other Payables**

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

**(j) 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 rate method.

**(k) 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 are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(l) Employee Benefits**

*Short-term employee benefits*

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

*Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at 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 Australian corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**(m) Goods and Services Tax**

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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

**(n) Comparative Figures**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2018**

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**(o) Going Concern**

The financial statements have been prepared on a going concern basis, which assumes that the company will be able to continue their trading activities. The company has recognised a profit after income tax of \$21,036 and positive net operating cash flows of \$281,460 for the year ended 30 April 2018 and as at that date, current liabilities exceed current assets by \$255,273.

The Company's ability to continue as a going concern is dependent on a number of factors including the ability of the company to perform in line with budgets and cash flow projections. The Company is currently reviewing their operations to determine any possible cost efficiencies and alternative trading operations.

In addition, the company has access to available finance totalling \$100,000 including \$70,000 repaid in advance on the loan which is available for redraw and an unutilised bank overdraft of \$30,000.

The company's loan arrangements expires in October 2023. The directors believe that there are no conditions which would cause the loan to be extinguished by the financier at an earlier stage.

In the unlikely event that the above results in a negative outcome, then the going concern basis may not be appropriate. No allowance for such circumstances has been made in the financial report.

**(p) 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 indefinite life intangible assets

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

Employee benefits provision

As discussed in note 1 (l), 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.

**(q) 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2018

**Note 2: Accounting Policies, Changes in Accounting Estimates and Errors**

During the 2018 financial year, an error was found in relation to financial liabilities balances disclosed in the 2017 and 2016 financial years. What follows is the result of this restatement in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors.

	Original 2017 \$	Effect of Restatement \$	Restated 2017 \$
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**STATEMENT OF FINANCIAL POSITION**

**NON CURRENT LIABILITIES**

Borrowings	992,612	3,152	995,764
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<b>TOTAL NON CURRENT LIABILITIES</b>	992,612	3,152	995,764
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<b>TOTAL LIABILITIES</b>	1,393,293	3,152	1,396,445
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<b>NET ASSETS</b>	2,452,688	(3,152)	2,449,536
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**EQUITY**

Retained surpluses	2,452,688	(3,152)	2,449,536
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<b>TOTAL EQUITY</b>	2,452,688	(3,152)	2,449,536
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	Original 2016 \$	Effect of Restatement \$	Restated 2016 \$
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**STATEMENT OF FINANCIAL POSITION**

**NON CURRENT LIABILITIES**

Borrowings	1,103,908	3,152	1,107,060
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<b>TOTAL NON CURRENT LIABILITIES</b>	1,103,908	3,152	1,107,060
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<b>TOTAL LIABILITIES</b>	1,486,904	3,152	1,490,056
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<b>NET ASSETS</b>	2,422,044	(3,152)	2,418,892
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**EQUITY**

Retained surpluses	2,422,044	(3,152)	2,418,892
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<b>TOTAL EQUITY</b>	2,422,044	(3,152)	2,418,892
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2018**

	Note	2018 \$	2017 \$
<b>Note 3: Revenue</b>			
Sales revenue:			
Bar trading		<u>1,123,096</u>	<u>1,096,959</u>
Total revenue from operating activities		<u>1,123,096</u>	<u>1,096,959</u>
Other revenue:			
Membership subscriptions		33,348	35,266
Poker machines trading		601,155	637,205
Sundry income		405,133	345,469
Interest received from other persons		-	29
Profit/(loss) on sale of fixed assets		<u>3,633</u>	<u>(805)</u>
Total revenue from non-operating activities		<u>1,043,269</u>	<u>1,017,164</u>
Total revenue		<u>2,166,365</u>	<u>2,114,123</u>
<b>Note 4: Profit Before Income Tax Expense</b>			
(a) Significant expenses			
Cost of sales		469,826	433,384
Depreciation expense		196,296	176,978
Employee Benefits Expense		627,432	617,742
Finance costs		61,022	66,807
Green keeping expenses		45,003	49,986
Returns to members		315,230	310,411
(b) Remuneration of auditor			
- current year		10,500	11,680
- other non audit services		<u>2,500</u>	<u>150</u>
		<u>13,000</u>	<u>11,830</u>
<b>Note 5: Cash and Cash Equivalents</b>			
Cash on hand		30,000	33,974
Cash at bank		<u>42,926</u>	<u>59,495</u>
		<u>72,926</u>	<u>93,469</u>
(a) Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents		<u>72,926</u>	<u>93,469</u>
		<u>72,926</u>	<u>93,469</u>
<b>Note 6: Trade and Other Receivables</b>			
CURRENT			
Trade receivables		5,143	4,899
Deposits		<u>5,000</u>	<u>5,000</u>
		<u>10,143</u>	<u>9,899</u>
<b>Note 7: Inventories</b>			
CURRENT			
Stock on Hand, at cost		<u>29,954</u>	<u>29,001</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2018

	Note	2018 \$	2017 \$
<b>Note 8: Financial assets</b>			
Available-for-sale financial assets comprise:			
- shares in unlisted corporations, at cost		<u>160</u>	<u>160</u>
<b>Note 9: Other Assets</b>			
CURRENT			
Prepayments		<u>21,434</u>	<u>8,526</u>
		<u>21,434</u>	<u>8,526</u>
<b>Note 10: Property, Plant &amp; Equipment</b>			
Land and Buildings (at cost)			
Freehold land		<u>231,000</u>	<u>231,000</u>
Buildings		<u>3,263,393</u>	<u>3,263,393</u>
Less: Accumulated depreciation		<u>(680,246)</u>	<u>(593,384)</u>
		<u>2,583,147</u>	<u>2,670,009</u>
Total Land and Buildings		<u>2,814,147</u>	<u>2,901,009</u>
Plant and Equipment (at cost)			
Indoor plant and equipment		<u>1,003,357</u>	<u>913,824</u>
Less: Accumulated depreciation		<u>(821,663)</u>	<u>(819,116)</u>
		<u>181,694</u>	<u>94,708</u>
Bowling Greens		<u>54,976</u>	<u>51,091</u>
Less: Accumulated depreciation		<u>(9,129)</u>	<u>(3,678)</u>
		<u>45,847</u>	<u>47,413</u>
Outdoor plant and equipment		<u>244,309</u>	<u>239,619</u>
Less: Accumulated depreciation		<u>(122,628)</u>	<u>(112,339)</u>
		<u>121,681</u>	<u>127,280</u>
Poker machines		<u>609,702</u>	<u>689,865</u>
Less: Accumulated depreciation		<u>(499,723)</u>	<u>(552,657)</u>
		<u>109,979</u>	<u>137,208</u>
Total Plant and Equipment		<u>459,201</u>	<u>406,609</u>
Total Property, Plant and Equipment		<u>3,273,348</u>	<u>3,307,618</u>

(a) Movements in carrying amounts

	Land and Buildings \$	Plant and Equipment \$	Total \$
Balance at the beginning of the year	2,901,009	406,609	3,307,618
Additions	-	163,892	163,892
Disposals	-	(1,866)	(1,866)
Depreciation expense	<u>(86,862)</u>	<u>(109,434)</u>	<u>(196,296)</u>
Carrying amount at the end of the year	<u>2,814,147</u>	<u>459,201</u>	<u>3,273,348</u>

(b) There is a registered mortgage over all properties owned by the company.

(c) No impairment has been recognised in respect of plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2018

	Note	2018 \$	2017 \$
<b>Note 11: Intangible Assets</b>			
Poker machine entitlements (at cost)		<u>397,308</u>	<u>397,308</u>
		<u>397,308</u>	<u>397,308</u>
<b>Poker Machine Entitlements</b>			
Poker machine entitlements are assessed as having an indefinite useful life. The measurement and recognition criteria is outlined in Note 1 to the financial statements			
Poker machine entitlements have been impairment tested using calculations of the higher of fair value, less costs to realise, and value in use. The directors believe that the carrying amount of poker machine entitlements are not impaired and annual impairment testing was conducted on 30 April 2018.			
<b>Note 12: Trade and Other Payables</b>			
CURRENT			
Trade payables		42,852	58,881
Sundry payables and accrued expenses		<u>91,815</u>	<u>39,954</u>
		<u>134,667</u>	<u>98,835</u>
NON-CURRENT			
Sundry payables and accrued expenses		<u>39,772</u>	<u>-</u>
		<u>39,772</u>	<u>-</u>
<b>Note 13: Borrowings</b>			
CURRENT			
Secured liabilities:			
Bank loan		137,889	137,889
Lease liability		<u>-</u>	<u>50,536</u>
		<u>137,889</u>	<u>188,425</u>
NON-CURRENT			
Secured liabilities:			
Bank loan		902,690	992,612
Lease liability		<u>-</u>	<u>3,152</u>
		<u>902,690</u>	<u>995,764</u>
Total Borrowings		<u>1,040,579</u>	<u>1,184,189</u>
(a) Total current and non-current secured liabilities:			
Bank loan		1,040,579	1,130,501
Lease liability		<u>-</u>	<u>53,688</u>
		<u>1,040,579</u>	<u>1,184,189</u>
(b) The carrying amounts of non-current assets pledged as security are:			
First mortgage over freehold land and buildings		<u>2,814,147</u>	<u>2,901,009</u>
(c) The unused finance facilities are:			
Bank overdraft		30,000	30,000
Bank loan		<u>70,000</u>	<u>60,000</u>
		<u>100,000</u>	<u>90,000</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2018

	Note	2018 \$	2017 \$
<b>Note 14: Provisions</b>			
CURRENT			
Employee benefits		63,159	58,992
Provision for poker machine jackpots		17,222	15,356
		<b>80,381</b>	<b>74,348</b>
NON-CURRENT			
Employee benefits		2,349	-
		<b>2,349</b>	<b>-</b>

**Provision for long-term employee benefits**

A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

**Provision for poker machine jackpots**

Provision has been made for poker machine jackpots representing the liability accrued as a result of turnover on poker machines in excess of the minimum jackpot amount. The measurement and recognition criteria relating to provisions has been included in Note 1 to this report.

**Note 15: Other Liabilities**

CURRENT

Income received in advance		36,953	39,073
		<b>36,953</b>	<b>39,073</b>

**Note 16: Capital and Leasing Commitments**

(a) Finance Lease Commitments

Payable - minimum lease payments:

- not later than 12 months		-	50,536
- between 12 months and five years		-	3,152

Minimum lease payments	13 (a)	-	53,688
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The company had a number of licence agreements to purchase Electronic Gaming Machines.

(b) Capital Expenditure Commitments

As at 30 April 2018, the company had not engaged in any capital commitments.

**Note 17: Events After the End of the Reporting Period**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2018

	Note	2018 \$	2017 \$
<b>Note 18: Financial Risk Management</b>			
The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and leases.			
The totals 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:			
<b>Financial assets</b>			
Cash and cash equivalents	5	72,926	93,469
Loans and receivables	6	10,143	9,899
Available-for-sale financial assets, at fair value	8	160	160
<b>Total Financial assets</b>		<b>83,229</b>	<b>103,528</b>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost:			
Trade and other payables	12	174,439	98,835
Borrowings	13	1,040,579	1,184,189
<b>Total Financial liabilities</b>		<b>1,215,018</b>	<b>1,283,024</b>

**Note 19: Related Party Transactions**

Key Management Personnel

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

Aggregate compensation	262,381	267,925
Number of persons	4	4

Related Party Transactions

Related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

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

**Note 20: Company Details**

The club is incorporated and domiciled in Australia as a company limited by guarantee.

The registered office and principal place of business is:

Sawtell Bowling & Recreation Club Limited  
Lot 1 Lyons Road  
PO Box 45  
SAWTELL NSW 2452

**SAWTELL BOWLING & RECREATION CLUB LTD**  
**ABN 20 001 064 535**

**DIRECTORS' DECLARATION**  
**FOR THE YEAR ENDED 30 APRIL 2018**

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The directors of the company declare that:

1. 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;
2. the attached financial statements and notes give a true and fair view of the company's financial position as at 30 April 2018 and of its performance for the financial year ended on that date; and
3. 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 by:



Nigel G Lamond  
Chairman



Katherine M Gill  
Treasurer

Dated: 21 June 2018

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
SAWTELL BOWLING & RECREATION CLUB LTD**

**ABN 20 001 064 535**

**Opinion**

We have audited the financial report of Sawtell Bowling & Recreation Club Ltd (the Company), which comprises the statement of financial position as at 30 April 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Company's financial position as at 30 April 2018 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Material Uncertainty related to Going Concern**

We draw attention to Note 1(o) in the financial report, which discloses that as at 30 April 2018 the current liabilities exceed current assets by \$255,273. These conditions, along with other matters set out in Note 1(o), indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
SAWTELL BOWLING & RECREATION CLUB LTD**Tel 02 6653 0850  
Fax 02 6651 4301  
[www.crowehorwath.com.au](http://www.crowehorwath.com.au)**ABN 20 001 064 535****Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, the auditor exercises professional judgement and maintains professional scepticism throughout the audit. The auditor also:

- Identifies and assesses the risks of material misstatement of the financial report, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concludes on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluates the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
SAWTELL BOWLING & RECREATION CLUB LTD**

**ABN 20 001 064 535**

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 April 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**CROWE HORWATH CENTRAL NORTH**



**Kylie Ellis**  
**Audit Partner**  
Registered Company Auditor (ASIC RAN 483424)  
107 West High Street  
COFFS HARBOUR NSW 2450

Dated: 29 June 2018

**DISCLAIMER  
TO THE MEMBERS OF  
SAWTELL BOWLING & RECREATION CLUB LTD**

**ABN 20 001 064 535**

The additional financial data presented on pages 25 - 26 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the company for the financial year ended 30 April 2018. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Sawtell Bowling & Recreation Club Ltd) in respect of such data, including any errors of omissions therein however caused.

**CROWE HORWATH CENTRAL NORTH**



**Kylie Ellis**  
**Audit Partner**  
Registered Company Auditor (ASIC RAN 483424)  
107 West High Street  
COFFS HARBOUR NSW 2450

Dated: 29 June 2018

**SAWTELL BOWLING & RECREATION CLUB LTD**  
**ABN 20 001 064 535**

**DETAILED TRADING STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Bar</b>		
Sales	<b>1,123,096</b>	1,096,959
Opening stock	<b>29,001</b>	37,540
Purchases	<b>470,779</b>	424,845
	<b>499,780</b>	462,385
Less: Closing stock	<b>(29,954)</b>	(29,001)
Cost of goods sold	<b>469,826</b>	433,384
Gross Profit	<b>653,270</b>	663,575
Less: Direct expenses		
Cash discrepancies	<b>724</b>	(1,128)
Freight and cartage	<b>10,726</b>	13,602
Salaries and wages	<b>307,309</b>	275,604
Total direct expenses	<b>318,759</b>	288,078
Net profit from bar trading	<b>334,511</b>	375,497
<b>Poker Machines</b>		
Net poker machine receipts	<b>601,155</b>	637,205
Less: Direct expenses		
Data monitoring fees	<b>15,834</b>	15,424
Depreciation	<b>59,724</b>	48,719
Provision for poker machine jackpots	<b>1,866</b>	15,356
Other direct expenses	<b>22,729</b>	21,417
Total direct expenses	<b>100,153</b>	100,916
Net profit from poker machines	<b>501,002</b>	536,289

**SAWTELL BOWLING & RECREATION CLUB LTD**  
**ABN 20 001 064 535**

**DETAILED INCOME AND EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 30 APRIL 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Income</b>		
Net profit from trading:		
Bar	<b>334,511</b>	375,497
Poker Machines	<b>501,002</b>	536,289
Commissions	<b>61,888</b>	69,818
Green fees	<b>97,176</b>	93,195
Interest received	-	29
Kitchen income	<b>5,977</b>	4,595
Members amenities and entertainment	<b>203,529</b>	147,202
Membership subscriptions	<b>33,348</b>	35,266
Profit/(loss) on sale of fixed asset	<b>3,633</b>	(805)
Recoveries	-	3,914
Rental income	<b>19,520</b>	20,785
Sundry income	<b>17,043</b>	5,960
<b>Total Income</b>	<b>1,277,627</b>	1,291,745
<b>Expenditure</b>		
Administration expenses	<b>86,910</b>	87,399
Depreciation	<b>136,572</b>	128,259
Directors expense	<b>10,369</b>	10,518
Donations	<b>14,032</b>	8,041
Employee benefits expenditure	<b>320,123</b>	342,138
Finance costs	<b>61,022</b>	66,807
Green keeping costs	<b>45,003</b>	49,986
Members amenities and entertainment*	<b>315,230</b>	310,411
Occupancy expenditure	<b>229,936</b>	227,011
Subsidiary clubs expenses	<b>37,394</b>	30,530
<b>Total Expenditure</b>	<b>1,256,591</b>	1,261,100
<b>Surplus before Income Tax Expense</b>	<b>21,036</b>	30,645
 <b>Members amenities and entertainment includes:</b>		
Bar discounts	<b>114,069</b>	99,493
Bar snacks and giveaways	<b>3,193</b>	2,251
Entertainment, activities and facilities	<b>49,004</b>	54,496
Promotions, including cash prizes and bonus points	<b>17,743</b>	17,174
Raffle prizes and trophies	<b>115,312</b>	110,923
Other benefits	<b>15,909</b>	26,074
	<b>315,230</b>	310,411