



MARRICKVILLE BOWLING AND RECREATION CLUB LIMITED

ABN 30 001 037 029

ANNUAL REPORT

2018

A photograph of the club's building, showing a brick wall and a sign that reads "MARRICKVILLE BOWLING & RECREATION CLUB LTD." The background of the entire page features a sky with diagonal light rays and a sun flare effect.

MARRICKVILLE BOWLING
& RECREATION CLUB LTD.

MARRICKVILLE BOWLING & RECREATION CLUB LTD

ABN 30 001 037 029

Founded 1905

113th ANNUAL REPORT AND BALANCE SHEET

Office Bearers for 2017/2018

President/Acting Treasurer Leo Bergagnin

Vice President Stephen O'Neill

Directors Terence Fox

Ronald Cook

Benjamin Whipp

Phillip Vernon appointed 19 October 2017

Clyde Collier appointed 11 September 2017

ANNUAL GENERAL MEETING AGENDA

18th November 2018

Notice is hereby given that the Annual General Meeting of Marrickville Bowling & Recreation Club Ltd will be held in the Clubs auditorium on Sunday, 18th November 2018 at 10.00am.

The Business of the meeting shall be:

1. Apologies.
2. To confirm the Minutes of the Annual General Meeting held 19th November 2017.
3. To receive, consider and adopt the financial statements of the club for the year 1st July 2017 to 30th June 2018.
4. To appoint an Auditor or Auditors for 2018/2019.
5. To determine the number of teams to be entered by the club in the forthcoming Pennant Competition conducted by the RNSWBA and to determine respective grades in which such teams shall be entered.
6. To receive the result of the election of Selectors.
7. General Business.

Please Note:

Nominations for Selectors and Office Bearer's will close on the Saturday 13th October 2018 at 6.00pm. Forms are available at the Bar or the Office. The ballot for the election of Selectors and Office Bearers will be held on Friday 26th October 2018 between 4.00pm and 7.00pm and Saturday 27th October 2018 between 11.00am and 4.00pm. Social members shall be entitled to be social privileges of the club and shall be entitled to vote in any election of the Board and on any honorariums to be paid to any member of the Board. However, social members have no rights to nominate, propose, second or to vote on any special resolution to amend the Constitution. Social members have no right to vote, nominate, propose, second or to be elected to the position of Selector. Social members have no right to nominate, propose or second for Life Membership.

By Order of the Board.



Tom Jones
Secretary Manager

PRESIDENT'S AND TREASURER'S REPORT

Dear Members

The Annual General Meeting is rapidly approaching and since our last A.G.M. there has been some changes in the club and a few challenges thrown in as well.

The club started off the New Year with our caterer not returning from his Christmas break. Upon inspection of the kitchen it became obvious that the kitchen was in need of a major overhaul. In a normal situation this work would have been designed, equipment researched and costed well before commencing such a project. Unfortunately this was not the case, when our previous caterer took his Christmas break we had no idea we would be refurbishing the kitchen. Many problems surfaced during the process and the work took longer than anticipated. Following a lengthy and comprehensive selection process we welcomed to the club our new chef Janet and "Fitzroy's Kitchen" opened in May. Finally at this point I would like to make special mention to the following members for the many hours they gave the club along the way. Fellow Directors Steve and Terry for their contribution, members James for his painting skills, and John Paul for solving our electrical problems and there were many.

The next problem surfaced when our former greenkeeper Rod Power accepted a position with another club and resigned. Fortunately Billy Goodall Jr applied for the position and we were delighted to employ him on a contract basis for the next 2 years.

The club received a grant from the state government via the inner west council of \$35,000 +GST to replace our carpets. This will be completed hopefully by the end of October. Before completing this task we needed to prepare and repair the floor around the bar area and also address the leaking roof. The box gutter along the northern wall of the club has now been replaced and the leak over the bar area was located and repaired. Many thanks to both the state government and the inner west council.

The 2017/18 year recorded a profit of \$87,884.99. The club's net debt is now at \$120000,00 down from last year's figure of \$189000,00. Bar trading increased this year as did green fees from the barefoot bowlers. Net trading from the poker machines also increased. Hopefully this trend will continue.

In closing I would like to thank fellow Board Members for their efforts and support. A big thank you to Tom and all our staff for their commitment and dedication to the club.

Most importantly thank you to our bowlers and members for your patronage.



Leo Bergagnin
President

SECRETARY MANAGER'S REPORT

Dear Members,

For the best part, it has been a good year for The Marrickville Bowling & Recreation Club. Both Bar Trading and income from Barefoot Bowling have increased substantially and overall, we have produced a reasonable profit for the year.

There were some hurdles presented to The Club during the year, mainly the unforeseen major refurbishment that needed to take place in The Clubs Bistro. While we are happy with the work that has taken place and pleased to welcome Fitzroy's Kitchen to The Club, unfortunately this meant that other planned improvements to The Club were put on hold while time and finances were focused on refurbishing and renovating the bistro. These necessary works also saw the bistro being closed for a period of five months, affecting trade substantially - However, it is a very positive sign that even in light of this, we've been able to keep increasing patronage.

We were delighted to be successful in an application to the Stronger Communities Grant offered by The Inner West Council to replace existing carpets and flooring in The Club. This project was initially to be completed in the early months of 2018 but likewise with other planned improvements, was put on hold while the bistro was finalized. We currently look forward to having the new flooring completed by November.

I would like to give a massive thanks to our staff who have worked throughout the year. Their continued dedication has been humbling. As we have been getting increasingly busy they have taken it in their stride, always with a smile and in my view, are a great representation of The Club.

Thanks also to The Board of Directors, who have put in an extraordinary amount of work this year amidst some adverse challenges, particularly in relation to works on the bistro.

Most of all, I'd like to thank the Members for their continued support of The Marrickville Bowling & Recreation Club.



Tom Jones
Secretary Manager

WOMEN'S BOWLING CLUB REPORT

It is with pleasure that I again submit this year's report on behalf of the Women's Bowling Club.

I would like to thank the ladies for their support during my first year as the ladies president. It has been a wonderful experience which I hope to continue.

Congratulations to all our ladies who participated in pennants this year. I am very proud of everyone's support and encouragement with our newest bowlers. We finished 2nd in Grade 4 which is a wonderful effort by everyone.

Congratulations to this year's Minor Singles Club Champion Kerrie Lane and Pairs Champion Barbara Hunnam (partner Sam Knight). We are yet to complete our Triples and Fours. However good-luck to everyone still in the running.

Marrickville again hosted another successful year of the Inner West Triples. A huge congratulations to Sherron Wilson for all her efforts in organising this event and ensuring everything ran smoothly.

We also celebrated the 20th anniversary of the Inner West Triples this year which was hosted by Marrickville. This event attracted bowlers from around the state. It was wonderful to see so many teams across both greens. A huge thank you to everyone who pitched in the help make this event such a success.

Thank you to all our wonderful ladies for your efforts over the year. It is very much appreciated and wonderful to be part of such a fantastic group of ladies.

All the best to everyone for the year ahead.

Sam Knight
President

BOWLS SECRETARY'S REPORT

Marrickville entered two sides in the pennants for 2018, Grades 4 & 6. The 4's made the playoffs and the 6's also placed very well in their grade.

Good to see lots of new bowlers representing Marrickville in the pennant they performed well for beginners and add much to the future of our club.

Club Championships 2018

Fours

Winners: P. Lange, J. O'Malley, G. Richards, J. Warburton

Runners up: D. Burns, H. Salmon, P. Vernon, G. Newman

Triples

Winners: W. Goodall, P. Lange, J. Warburton

Runners up: P. Vernon, P. Maughan, B. Shapcott

Pairs

Winners: M. Rennie, B. Whipp

Runners up: J. O'Malley, B. Shapcott

Major Singles

Winner: B. Whipp

Runner up: J. Warburton

Minor Singles

Winner: D. Lawrence

Runner up: M. Rennie

Thank you for your support

Ben Whipp
Bowls Secretary

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DIRECTORS' REPORT

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

Directors

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

Leo Bergagnin

Stephen O'Neill

Terence Fox

Ronald Cook

Benjamin Whipp

Phillip Vernon appointed 19 October 2017

Clyde Collier appointed 11 September 2017

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

Review of Operations

The profit of the company for the financial year after providing for income tax amounted to \$87,885.

Significant Changes in the State of Affairs

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

Principal Activities

The principal activities of the company during the financial year were the promotion of the sport of lawn bowls and the maintenance of licensed premises..

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

Events Subsequent to 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.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included

in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

The Club is a company limited by guarantee. As such it is not able to pay or credit dividends as defined by its constitution.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification of Officers

Except for standard commercial Directors' and Officers' Insurance whilst acting in their capacity on behalf of the company, no indemnities have been given nor other insurance premiums were paid in relation to such persons .

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

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

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

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



Director: Leo Bergagnin
Dated 24th September 2018



Director: Stephen O'Neill

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001
TO THE DIRECTORS OF
MARRICKVILLE BOWLING & RECREATION
CLUB LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 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.

Name of Firm: Lonnon & Co

Chartered Accountants



Name of Partner: K.J.Lonnon

Address: Suite 28, 556 Forest Road Penshurst NSW 2222

Dated 26th September 2018

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

	2018	2017
Note	\$	\$
Revenue	1,849,938.51	1,637,935.98
Raw materials and consumables used	(572,225.64)	(505,244.11)
Depreciation and amortisation expenses	(13,903.00)	(12,715.18)
Employee benefits expenses	(602,985.31)	(540,867.84)
Finance costs	(8,040.05)	(12,590.29)
Other expenses	(564,899.52)	(553,140.28)
Profit	87,884.99	13,378.28
Total comprehensive income for the year	87,884.99	13,378.28
 Total comprehensive income attributable to members of the entity	 87,884.99	 13,378.28

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	85,049.85	68,901.43
Trade and other receivables	4	13,992.06	15,084.33
Inventories 5		26,323.16	24,256.00
Other current assets	6	13,881.55	12,615.06
TOTAL CURRENT ASSETS		139,246.62	120,856.82
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,285,315.49	1,255,173.49
TOTAL NON-CURRENT ASSETS		1,285,315.49	1,255,173.49
TOTAL ASSETS		1,424,562.11	1,376,030.31
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	170,031.60	158,533.01
Borrowings ⁹		56,794.68	56,794.68
Provisions 10		28,463.17	46,901.48
Other current liabilities	11	3,300.00	5,893.18
TOTAL CURRENT LIABILITIES		258,589.45	268,122.35
NON-CURRENT LIABILITIES			
Borrowings	9	12,263.95	42,084.24
TOTAL NON-CURRENT LIABILITIES		12,263.95	42,084.24
TOTAL LIABILITIES		270,853.40	310,206.59
NET ASSETS		1,153,708.71	1,065,823.72
EQUITY			
Retained earnings	12	1,153,708.71	1,065,823.72
TOTAL EQUITY		1,153,708.71	1,065,823.72

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Note	Retained earnings \$	Total \$
Balance at 1 July 2016		1,052,445	1,052,445
Profit attributable to equity shareholders		13,378	13,378
Balance at 30 June 2017		<u>1,065,824</u>	<u>1,065,824</u>
Profit attributable to equity shareholders		87,885	87,885
Balance at 30 June 2018		<u><u>1,153,709</u></u>	<u><u>1,153,709</u></u>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,791,852.20	1,610,841.17
Payments to suppliers and employees	(1,759,924.80)	(1,597,384.00)
Interest received	453.09	409.91
Other Receipts	35,000.00	-
Commission Received	22,633.22	26,684.90
	<u> </u>	<u> </u>
Net cash provided by operating activities	13 90,013.71	40,551.98
	<u> </u>	<u> </u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(44,045.00)	(2,800.00)
Net cash used in investing activities	<u>(44,045.00)</u>	<u>(2,800.00)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(29,820.29)	(46,828.11)
Net cash used in financing activities	<u>(46,828.11)</u>	<u>(29,820.29)</u>
Net increase (decrease) in cash held	16,148.42	(9,076.13)
Cash at beginning of financial year	68,901.43	77,977.56
Cash at end of financial year	3 <u>85,049.85</u>	<u>68,901.43</u>

The accompanying notes form part of these financial statements.

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

1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report and it has been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Corporations Act 2001.

The financial report is for an entity known as Marrickville Bowling & Recreation Club Limited as an individual entity, limited by guarantee. The company was incorporated and has its domicile in Australia.

The financial report complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. Unless otherwise stated, the accounting policies have been consistently applied.

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of financial assets, financial liabilities and selected non-current assets for which the fair value basis of accounting has been applied.

Accounting Policies

Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees at 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.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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 of losses.

Asset are carried at cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Land and buildings

Land and Buildings are carried at cost. The directors believe that market valuation at year end would far exceed the cost amount of the asset. As such, no Depreciation or Amortisation expense has been booked against the Building and Clubhouse Renovations Assets. No valuation increase to market value has also been booked in the accounts. The posting of valuation increments to land, buildings and renovation assets may lead to misinterpretation of the financial results achieved.

The directors believe that any revaluation would far exceed the current carrying amount for the aggregate of land and buildings.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment excluding freehold land and buildings, are depreciated on a straight line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

	2018	2017
	\$	\$
2 Auditor's Remuneration		
Auditor's Remuneration		
Audit Fees	9,000.00	9,000.00
	<u>9,000.00</u>	<u>9,000.00</u>
3 Cash and Cash Equivalents		
Cash at Bank	3,519.89	1,363.64
Cash at Bank	50,066.35	46,178.99
Cash at Bank - Keno	3,224.83	0.46
Cash at Bank - ATM	1,244.22	2,160.44
Cash at Bank	6,699.11	6,429.26
Cash at Bank	10,447.87	10,221.75
WBC Cash Reserve	9,722.08	2,081.65
Cash at Bank	125.50	465.24
	<u>85,049.85</u>	<u>68,901.43</u>
	<u>85,049.85</u>	<u>68,901.43</u>
Reconciliation of cash		
Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Cash and cash equivalents	85,049.85	68,901.43
	<u>85,049.85</u>	<u>68,901.43</u>
	<u>85,049.85</u>	<u>68,901.43</u>
4 Trade and Other Receivables		
Current		
Trade Debtors	14,074.82	7,200.00
Less: Provision for Doubtful Debts	(12,000.00)	-
	<u>2,074.82</u>	<u>7,200.00</u>
	<u>2,074.82</u>	<u>7,200.00</u>
GST Paid - Input Tax Credits	11,917.24	7,884.33
	<u>13,992.06</u>	<u>15,084.33</u>
	<u>13,992.06</u>	<u>15,084.33</u>
5 Inventories		
Current		
At cost:		
Bar Stock as per		
Independent Stocktaker	26,323.16	24,256.00
	<u>26,323.16</u>	<u>24,256.00</u>
6 Other Assets		
Current		
Prepayments - Other	13,881.55	12,615.06
	<u>13,881.55</u>	<u>12,615.06</u>

	2018	2017
	\$	\$
7 Property, Plant and Equipment		
BUILDINGS		
Land and Buildings at cost:		
Land and Building	608,745.00	602,310.00
Clubhouse Improvements	581,632.57	588,067.57
Less Provision for Depreciation	(1,750.00)	(1,750.00)
Total Buildings	<u>1,188,627.57</u>	<u>1,188,627.57</u>
PLANT AND EQUIPMENT		
Plant and Equipment:		
At cost	287,915.37	243,870.37
Accumulated depreciation	(191,227.45)	(177,324.45)
Total Plant and Equipment	<u>96,687.92</u>	<u>66,545.92</u>
Total Property, Plant and Equipment	<u><u>1,285,315.49</u></u>	<u><u>1,255,173.49</u></u>

Movements in Carrying Amounts of Property, Plant and Equipment

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

	Land and Buildings Furniture \$	Clubhouse Plant and Equipment \$	Greens and Bistro \$	Poker Machines \$	Total \$
Balance at					
1 July 2016	1,188,627.73	54,312.55	22,148.50	-	1,265,088.78
Additions	-	2,800.00	-	-	2,800.00
Depreciation expense	-	(7,200.00)	(5,515.00)	-	(12,715.00)
	<hr/>				
Balance at					
30 June 2017	1,188,627.73	49,912.55	16,633.50	-	1,255,173.78
Additions	-	-	44,045.00	-	44,045.00
Depreciation expense	-	-	(13,903.00)	-	(13,903.00)
	<hr/>				
Carrying amount at					
30 June 2018	1,188,627.73	49,912.55	46,775.50	-	1,285,315.78
	<hr/> <hr/>				

	2018	2017
	\$	\$
8 Trade and Other Payables		
Current		
Accrued Expense	10,999.96	12,173.46
Trade Creditors	111,470.78	98,377.35
GST Collected	1,281.48	655.00
Outstanding BAS Cheque	46,279.38	47,327.20
	<u>170,031.60</u>	<u>158,533.01</u>
9 Borrowings		
Current		
Loans - Secured	<u>56,794.68</u>	<u>56,794.68</u>
Non-Current		
Loans - Secured	<u>12,263.95</u>	<u>42,084.24</u>
Total borrowings	4 <u>69,058.63</u>	4 <u>98,878.92</u>
10 Provisions		
Provision for Long Service Leave	7,390.46	12,011.23
Provision for Holiday Pay	9,568.73	10,012.25
Provision for Superannuation	11,503.98	24,878.00
	<u>21,072.71</u>	<u>34,890.25</u>
Total provisions	<u>28,463.17</u>	<u>46,901.48</u>
Analysis of Total Provisions		
Current	<u>28,463.17</u>	<u>46,901.48</u>
	<u>28,463.17</u>	<u>46,901.48</u>

	2018	2017
	\$	\$
11 Other Liabilities		
Current		
Subscriptions in Advance	3,300.00	5,893.18
	<u>3,300.00</u>	<u>5,893.18</u>
12 Retained Earnings		
Retained earnings at the beginning of the financial year	1,065,823.72	1,052,445.44
Net profit (Net loss) attributable to members of the company	87,884.99	13,378.28
	<u>87,884.99</u>	<u>13,378.28</u>
Retained earnings at the end of the financial year	1,153,708.71	1,065,823.72
	<u>1,153,708.71</u>	<u>1,065,823.72</u>
13 Cash Flow Information		
Reconciliation of result for the year to cashflows from operating activities.		
Reconciliation of net income to net cash provided by operating activities:		
Profit (Loss) after income tax	87,884.99	13,378.28
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	13,903.00	12,715.18
Charges to provisions	(18,438.31)	7,518.05
Changes in assets and liabilities		
(Increase) Decrease in current inventories	(2,067.16)	5,750.94
(Increase) Decrease in current receivables	(6,792.06)	1,926.87
(Increase) Decrease in prepayments	(1,266.49)	(6,593.73)
Increase (Decrease) in trade creditors	19,382.92	6,403.66
Increase (Decrease) in other creditors	(2,593.18)	(547.27)
	<u>90,013.71</u>	<u>40,551.98</u>

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 14, for the year ended 30 June 2018 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - (b) give a true and fair view of the financial position and performance of the company.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Director: Leo Bergagnin



Director: Stephen O'Neill

Dated 24th September 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARRICKVILLE BOWLING & RECREATION CLUB LIMITED

ABN 30 001 037 029

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Marrickville Bowling & Recreation Club Limited, (the company) which comprises the statement of financial position as at 30 June 2018 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

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

- (i) giving a true and fair view of the company's financial position as at 30 June 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

I confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of 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 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 company's ability 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 Responsibility for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the

audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Name of Firm: Lonnon & Co

Chartered Accountants



Name of Partner: K.J.Lonnon

Address: Suite 28, 556 Forest Road Penshurst NSW 2222

Dated 26th September 2018

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
BAR TRADING STATEMENT		
SALES		
Sales	1,389,704.55	1,236,811.46
LESS: COST OF GOODS SOLD		
Opening Stock	24,256.00	30,006.94
Purchases	574,292.80	499,493.17
	598,548.80	529,500.11
Closing Stock	(26,323.16)	(24,256.00)
	572,225.64	505,244.11
GROSS BAR PROFIT	817,479	731,567
LESS: DIRECT COSTS		
Bar Wages	280,376	267,024
	280,375.62	267,024.49
NET PROFIT FROM BAR	537,103	464,543
POKER MACHINE TRADING STATEMENT		
INCOME		
Net Takings	189,077.35	164,690.23
LESS: EXPENSES		
Repairs to Poker Machines	16,431.15	19,872.33
Rebate Poker Machines	(17,354.42)	(15,730.55)
Monitoring Costs	15,889.08	15,038.16
Poker Machine Licence	40,148.16	42,336.00
Poker Machine Wages	83,748.57	79,760.00
	138,862.54	141,275.94
NET PROFIT FROM POKER MACHINES	50,215	23,414

The accompanying notes form part of these financial statements.

	2018	2017
	\$	\$
INCOME		
Net Trading Profit from Bar	537,103	464,543
Net Trading Profit from Poker Machines	50,215	23,414
Room Hire	8,655.11	9,964.53
Government Grant	35,000.00	-
Keno Commission	11,608.53	13,231.34
Interest Received	453.09	409.91
Kitchen Service fees	18,372.74	22,827.30
Subscriptions	26,578.63	31,144.98
Raffle Income	36,932.90	44,352.73
Insurance Claim Recoveries	-	9,564.47
Green Fees	122,530.92	91,212.74
Commission Received	11,024.69	13,453.56
Donation Received	-	272.73
	<hr/>	<hr/>
	858,475	724,391
EXPENSES		
Advertising and Decorations	1,269.08	2,475.09
Association Fees	3,877.27	3,154.54
Auditor's Remuneration	9,000.00	9,000.00
Bank Charges	7,129.61	4,226.61
Bowls Expenses	965.45	1,360.00
Bookkeeping Fees	13,800.33	13,771.85
Bistro Costs	4,190.91	-
Catering Costs	2,844.54	5,977.24
Cleaning	38,654.61	36,857.60
Coaching Fees	-	8,386.00
Computer supplies & Software	8,429.75	6,008.15
Depreciation	13,903.00	12,715.18
Doubtful Debts Provision	12,000.00	-
Donations	864.36	100.00
Fox Sports Fees	22,456.00	21,804.00
General Expenses	1,032.63	2,060.53
Interest Paid	8,040.05	12,590.29
Insurance	34,246.14	29,442.94
Keno Charges	1,547.00	1,542.75
Light and Power	45,728.06	41,082.71
Licences and Fees	11,673.95	7,395.86
Printing and Postage	8,420.33	8,419.80

The accompanying notes form part of these financial statements.

	2018	2017
	\$	\$
Provision for Holiday Pay	(443.52)	(5,853.26)
Provision for Long Service	(4,620.77)	(1,645.60)
Promotions	-	2,323.81
Prize money - cash	1,710.00	4,549.00
Raffle Expenses	42,096.78	48,278.22
Rates	14,542.83	16,840.89
Repairs - Clubhouse	60,654.73	16,170.72
Repairs - Greens	31,380.88	25,234.30
Social & Entertainment Costs	86,027.83	110,711.01
Security and Fire Service	13,708.09	5,187.54
Staff Training Costs	440.91	500.02
Stocktaking	3,000.00	3,000.00
Superannuation	51,906.96	48,665.91
Telephone	8,211.06	7,026.76
Travelling Expenses	316.00	70.00
Wages - Administration	140,335.71	119,153.14
Wages - Greens	51,682.36	64,611.40
Waste Removal	19,566.80	17,818.16
	<u>770,589.72</u>	<u>711,013.16</u>
Profit from ordinary activities	<u>87,884.99</u>	<u>13,378.28</u>

The accompanying notes form part of these financial statements.

NOTES

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