

Darlington Point Club Limited



**ANNUAL REPORT
2016**

DARLINGTON POINT CLUB LIMITED

ABN 46 001 068 702

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the
Darlington Point Club Limited will be held at the Club on
Wednesday, 25th January, 2017 at 7.00 pm

BUSINESS

1. To confirm the minutes of the Annual General Meeting held on 26th February 2016.
2. To receive and consider and adopt the following reports for the year ended 30th September, 2016

Chairman's Report

Treasurer's Report

Secretary Manager's Report

Financial and Statutory Reports

Auditor's Report

(Any questions in regard to the contents of the above reports are to be submitted in writing to the Secretary Manager seven (7) days prior to the AGM to enable a well informed response.

3. Election of Directors
4. General Business

By order of the Board on 20th December

G Beaumont
Chairman

PRESIDENT'S REPORT 2016

On behalf of the Board of Director's and Management, I present to you the 2016 Annual Report.

I would like to thank the Board for all their hard work they have done throughout the year. We have had an unsettled year as regards management, and this is reflected in the financial report.

At the same time, I would like to take this opportunity to sincerely thank the staff that deserve special recognition for their ongoing service and support, especially for their dedication during the transition of new management. I would like to thank Kerry, Phil, Bridget, Tracie and all staff for their commitment and dedication to the club during an unsettled management period.

I would like to welcome Michael Whelan to the club as Secretary/Manager. I have every belief he can drive this club forward and run the club to the member's satisfaction.

We thank our Auditors, Pinnacle HPC for the great work that they do in auditing of the financials for the Club.

We especially thank you, the members, for your support to our Club and many functions held during the year. Without you there is no success.

Unfortunately the club has made a loss this year of \$5,950. However this is just a short term snapshot of the club as a whole, which continues to boast a healthy cash flow.

The Darlington Point Sports club continues to support Lawn Bowls, tennis and the local senior and junior Rugby League football as part of its charter. Other groups in our community to benefit from our operations include The Public School, Lions Club, Red Cross, Multiple Sclerosis, Darlington Point Fishing Classic, Murrumbidgee Council Seniors Respite and the Burrumbuttock Hay Run.

The annual General Meeting will be held in the function room on 25th January 2017 at 7pm for the interest of all members.

Gordon Beaumont
President

TREASURER'S REPORT 2016

In my role as Treasurer I would like to thank the Club's President Gordon and the Board for their cooperation and support during the last year. I would also like to thank Bridget McNeilly and Phil Wells for their efforts in keeping the Club's administration functioning during the period it took to appoint a new Secretary/Manager.

A very warm welcome to our recently appointed Secretary/Manager Michael "Mikey" Whelan who I believe will prove to be a very positive addition to the staff.

Obviously members should be thanked for their patronage during the year and I hope that, with the implementation of new ideas by our new Secretary/Manager, members will feel inclined to utilise the facilities on a more regular basis.

The financial position of the Club is reasonably sound even allowing for an Operating Loss in 2016 of \$7,134. The net deficit for 2016 was \$5,950 after movements in the Asset Revaluation account is factored in, compared to a surplus in 2015 of \$53,771.

A number of factors contributed to the poorer outcome in 2016 and some of these, when compared to 2015 were:-

Income:

- Poker machine trading down \$21,048.
- Gross profit from trading down \$25,070.

Expenditure:

- Auditor's Remuneration up \$4,000.
- Depreciation up \$12,395.
- Repairs and maintenance up \$16,403.
- Salaries and wages up \$27,516.

On a more positive side from a financial perspective:-

- Income from the cabins increased by \$17,888 (Cabin expenses only increased by \$5,021).
- Electricity and gas expenses decreased by \$14,308.

The continued decline in gross profit from trading is a concern and hopefully some of the changes suggested to the Board by the Secretary/Manager will be implemented and turn this trend around.

There has been little movement in the totals of Current Assets, Current Liabilities, Non-Current Assets and Non-Current Liabilities.

In the current and coming years the Club will have to budget for some major expenditure including replacement of the bowling green mower, upgrade or replacement of the workshop, club building renovations and possibly additional facilities for members.

Paul Goodsall
Treasurer

SECRETARY MANAGERS REPORT 2016

Firstly, let me thank everyone who has made my family and I so welcome at the club. I have recently taken up the position of Secretary/Manager and I am loving every minute of it. It provides me with a fresh set of challenges and I am confident I will create a positive impact, not only on the clubs financial status, but on the services we can provide for this community. I have been in the club industry for four years while in Australia, and three years while in Ireland.

After starting in this position, it was clear to see that the community are not only very interested in the performance of the club, but also willing to put their shoulder to the wheel and help out where they feel necessary. The community spirit is alive and well in Darlington Point.

Looking at the short term future, I will be hoping the club can help out as many community groups as possible in order to provide as many services as we can for the communities people. In order for the club to keep providing as many services as we can for the community, we need to generate an income to do so. For the short term future I will be looking to boost entertainment as well as running some new promotions to generate revenue. I am also anticipating running a major weekend event which I am hoping will attract approximately 1,000 people into the township, to boost the clubs trade and local business trade alike. Such an event will incorporate local charities and sporting teams to help run the event while providing them with the opportunity to raise money for their respective organisations.

The long term future of the club is in the hands of the Board of Directors which the members elect. The clubs future will continue to be a bright one, with everyone's co-operation. Everyone needs to be pulling in the same direction with a positive attitude. This way the club can continue to provide the community with the amenities which they deserve.

In conclusion I wish to thank the staff both past and present for their work throughout the year. I would also like to thank the Directors who have instilled their confidence in me. Finally, of course I wish to thank the members without whom, there would be no club.

On a final note I wish to thank my wife Kelly and my family for their constant backing and support, which is extremely important in such a position.

I look forward to meeting more of you into the future,

Micheal Whelan
Secretary/Manager.

BOWLS PRESIDENTS REPORT 2016

2016 has been a very good year for the men's Bowling Club. For the first time in a number of years we were able to field two pennant teams. The No. 7 pennant team competed very well and it was great experience for the new bowlers playing in their first pennant season. The No. 4 grade pennant team has a excellent year winning the Riverina final and then played excellent bowls to win the zone B title.

In August we travelled to Berry to compete in the state finals and though we were very competitive we were unable to win any of our three games.

Club championship winners for 2016 were as follows:

Singles: P. Jones

Pairs: S. Hoffman, P. Jones

Triples: F. Cliteur, B. Watts, T. Woods, P. Birmingham

Minor Singles: D. Dykman

Mixed Pairs: J & P Birmingham

Handicap Pairs: B. Watts, P. Jones (thanks to Grant and Rhonda Parnell for sponsoring this event).

S. Hoffman and P. Jones went on to win the Riverina Championship of Club Champions pairs.

P. Jones won the Riverina Champion of Club Champion singles then travelled to Howlong to compete in the zone finals coming away with the title. Peter then progressed to the state playoffs eventually beaten in the quarter finals.

Sadly membership numbers have dropped by 7 for the 2017 season and we will only have one pennant team. On behalf of the bowlers I would like to thank Andrew and Colin for the work they put into our bowling green to keep it in tip top condition,

Thank you to the Ladies President Irene Williams and her helpers for the food prepared for our various competition games.

I also thank the club committee and staff for their continued support.

Finally, a big thank you to all bowlers who turned up weekly for social bowls, and also to those who have travelled representing the club at various events throughout the year.

D. Painting
Bowls President.

ANNUAL REPORT OF LADIES BOWLS 2016

Darlington Point lady bowlers have had an interesting year.

In March we held our annual President's Day. Bowlers came from other district clubs to enjoy a day of bowls, a lot of laughs and a lovely lunch.

Mini Pennants were played in November/December. Darlington Point was host club and all teams enjoyed the challenge.

Darlington Point School organised 4 weeks of bowls for an option in their interest electives. About 10 students enjoyed the introduction to bowls, helped by some local bowlers. Some developed amazing skill.

Ladies were able to contribute to the cost of the new artificial turf ditch backing around the bowling green. This looks great.

Club Champions for 2016 are:-

Singles: Joy Birmingham

Pairs: Jo Curphey and Joy Birmingham

Triples: Jean Jones, Jo Curphey and Joy Birmingham

Fours: Marlene Kelly, Jean Jones, Norma Sheil and Joy Birmingham.

We always appreciate the wonderful work of the greenkeepers and club staff.

Irene Williams

President.

TENNIS CLUB REPORT 2016

The Darlington Point Tennis Club held two very successful competitions in 2016, one in Autumn and one in Spring. Approximately 25 players and subs turned up on time to play some very competitive and social tennis. Tyson Woods, Trevor Hornery, John Maxwell and Joanne Curphy were the stars of the competition with the reliable juniors Cooper, Hayley McCallum, Arana Curphy and Madeline King also playing well.

ABBQ and presentation to a very surprised "Jean Jones" was held to name the tennis courts after Jean, for her lifelong contribution to the tennis club. A wooden sign was constructed by the Men's Shed which is in place. Thank you to the Men's Shed.

The Darlington Point Fishing Competition kindly donated funds for the purchase of new nets which was appreciated.

Trevor Hornery continued his coaching of the up and coming juniors on a Friday afternoon.

If you haven't played for a while or would like to start playing, please contact Rohan King (President) or Therese Chauncy (Secretary), or a current tennis player to put your name into the next competition set for February 2017.

Therese Chauncy

Secretary.

DARLINGTON POINT CLUB LIMITED

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FINANCIAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

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DARLINGTON POINT CLUB LTD
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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016

Your directors present this report on the company for the financial year ended 30 September 2016.

DIRECTORS

The names of each person who has been a director during the year and to the date of this report are:

Gordon Beaumont	Tracey Bullivant
Debbie Gras	Robert Curphey (resigned 31/03/16)
Bruce Dixon	Sidney Jones (resigned 31/03/16)
Jeffrey King (resigned 31/03/16)	Paul Goodsall (appointed 31/03/16)
Jean Jones	Shawn Gras (appointed 31/03/16)
Marlene Kelly	Lisa McNeilly (appointed 31/03/16)

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

INFORMATION ON DIRECTORS

In accordance with Section 300(10) of the Corporations Act particulars of the qualifications, experience and special responsibilities of the company's directors are as follows:

DIRECTOR	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITIES
Gordon Beaumont	Farmer Director 8 years	Chairperson
Debbie Gras	Farm Hand Director 12 years	Senior Vice-President
Bruce Dixon	Labourer Director 8 years	Junior Vice-President
Paul Goodsall	Retired Director <1 year	Treasurer
Jean Jones	Retired Director 8 years	
Marlene Kelly	Retired Director 5 years	
Tracey Bullivant	Child Care Worker Director 2 years	
Shawn Gras	Council Worker Director <1 year	
Lisa McNeilly	Shop Assistant Director <1 year	

DARLINGTON POINT CLUB LTD
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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016

MEETINGS OF DIRECTORS	ELIGIBLE	PRESENT	APOLOGY
Jeffrey King	6	6	0
Jean Jones	14	14	0
Marlene Kelly	14	12	2
Tracey Bullivant	14	11	3
Robert Curphey	6	5	1
Sidney Jones	6	4	2
Paul Goodsall	8	8	0
Shawn Gras	8	7	1
Lisa McNeilly	8	7	1

During the financial year there were 12 ordinary meetings and 2 special meetings.

PRINCIPAL ACTIVITIES

The principal continuing activities of the Club is the encouragement of sport and the provision of recreational facilities for its members and their guests.

SHORT AND LONG TERM OBJECTIVES

The Board has established short and long term objectives as outlined in the Club's strategic plan which is reviewed on an annual basis. These objectives are both financial and non financial, and are aimed towards providing a comfortable and secure environment to its members that continues to meet their needs. These objectives are measured through both financial and non financial key performance indicators that have been determined relevant to the registered club industry. The re-opening of the Golf course is one such long term objective that is hoped will benefit not only the Club, but the community as a whole.

STRATEGIES

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

The Club will provide sporting facilities to its members that are maintained to a satisfactory standard. In addition, the Club will support sporting, educational and charitable groups via sponsorship and venue functions. This will enable the Club to achieve its objective of encouraging the development of sports within the local community.

The Club will endeavour to keep Management, administrative and staff costs to a minimum in order to achieve its objective to trade profitably. This will be achieved through efficient staffing and cost control whilst ensuring there is no detrimental effect on the services provided.

The Club will ensure that staff are appropriately trained, and treat patrons with courtesy and respect. This will achieve the Club's objective of providing a safe and friendly environment appealing to patrons of all ages.

One of the Club's objectives is to market itself to a broad member base which is reflective of the local demographic. The Club aims to achieve this improving advertising, including a flyer emailed to members in out laying areas and use of the social media market in order to reach a wider demographic.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

KEY PERFORMANCE INDICATORS

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

MEMBERS' GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the entity. At 30 September 2016, the total amount that the members of the company are liable to contribute if the company is wound up is \$643 (2015: \$650).

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 September 2016 has been received and can be found on page 8 of the financial report.

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

Director


Gordon Beaumont

Director


Paul Goodsall

Dated this 20th day of ~~November~~ December 2016

**DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

In accordance with a resolution of the directors of Darlington Point Club Ltd, the directors declare that:

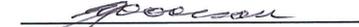
1. The financial statements and notes, as set out on pages 9 to 24, are in accordance with the *Corporations Act 2001*:
 - (a) comply with the Australian Accounting Standards applicable to the company; and
 - (b) give a true and fair view of the financial position as at 30 September 2016 and of the performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
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


Gordon Beaumont

Director


Paul Goodsall

Dated this 20th day of ~~November~~ December 2016

DARLINGTON POINT CLUB LTD
ABN 46 001 068 702

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
DARLINGTON POINT CLUB LTD

Report on the Financial Report

I have audited the accompanying financial report, being a special purpose financial report, of Darlington Point Club Ltd (the company), which comprises the statement of financial position as at 30 September 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 Report

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

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my 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 as to whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 entity's internal controls. 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.

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

Independence

In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Darlington Point Club Ltd, would be in the same terms as if given to the directors as at the time of the auditor's report.

Principals

John P Keenan CPA
Morris G Massarotto CPA
Graeme J Lyons CA
Geoffrey M Marin CPA
Allan J Andrezza CPA
Angela C Favell CPA
John P Farronato CA

Consultant

Frank S Sergi CPA

DARLINGTON POINT CLUB LTD
ABN 46 001 068 702

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
DARLINGTON POINT CLUB LTD

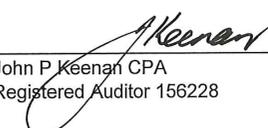
Opinion

In my opinion, the financial report of Darlington Point Club Ltd is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the company's financial position as at 30 September 2016 and of its performance for the year ended on that date; and
- complying with Australian Accounting Standards and the *Corporation Regulations 2001*.

Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.


John P Keenan CPA
Registered Auditor 156228

PINNACLEHPC PTY LTD

Dated this 20 day of December 2016

Principals

John P Keenan CPA
Morris G Massarotto CPA
Graeme J Lyons CA
Geoffrey M Marin CPA
Allan J Andrezza CPA
Angela C Favell CPA
John P Farronato CA

Consultant

Frank S Sergi CPA

**AUDITOR'S INDEPENDENCE DECLARATION UNDER
SECTION 307C OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF
DARLINGTON POINT CLUB LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2016 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



John P Keenan CPA
Registered Company Auditor 156228

PINNACLEHPC PTY LTD
135 Yambil Street Griffith NSW 2680

Dated this *20* day of December 2016

PinnacleHPC Pty Ltd
ABN 15 866 782 108

Principals
John P Keenan CPA
Morris G Massarotto CPA
Graeme J Lyons CA
Geoffrey M Marin CPA
Allan J Andrezza CPA
Angela C Favell CPA
John P Farronato CA

Consultant
Frank S Sergi CPA

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Note	2016 \$	2015 \$
Revenues from ordinary activities	2	1,582,660	1,680,974
Employee benefits expense	3	(521,372)	(472,378)
Depreciation and amortisation expenses	3	(100,605)	(88,210)
Finance costs	3	(712)	(1,309)
Other expenses		<u>(967,104)</u>	<u>(1,065,305)</u>
Profit/(loss) before income tax expense		(7,134)	53,771
Income tax expense		<u>-</u>	<u>-</u>
Profit/(loss) for the year		<u>(7,134)</u>	<u>53,771</u>
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		1,184	1,184
Items that will be reclassified subsequently to profit or loss when specific conditions are met		<u>-</u>	<u>-</u>
Total other comprehensive income for the year		<u>1,184</u>	<u>1,184</u>
Total comprehensive income for the year		<u>(5,950)</u>	<u>54,955</u>
Total comprehensive income attributable to members of the entity		<u>(5,950)</u>	<u>54,955</u>

DARLINGTON POINT CLUB LTD
ABN 46 001 068 702

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	4	130,996	117,926
Accounts receivable and other debtors	5	51,242	47,035
Inventories on hand	6	32,083	32,445
TOTAL CURRENT ASSETS		<u>214,321</u>	<u>197,406</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,231,386	1,260,395
Intangibles	8	5,000	5,000
TOTAL NON-CURRENT ASSETS		<u>1,236,386</u>	<u>1,265,395</u>
TOTAL ASSETS		<u><u>1,450,707</u></u>	<u><u>1,462,801</u></u>
CURRENT LIABILITIES			
Accounts payable and other payables	9	96,411	109,632
Loan liabilities	10	63,580	45,984
Provisions for employee benefits	11	42,008	37,561
TOTAL CURRENT LIABILITIES		<u>201,998</u>	<u>193,177</u>
NON-CURRENT LIABILITIES			
Loan liabilities	10	38,766	53,648
Provisions for employee benefits	11	7,766	6,664
TOTAL NON-CURRENT LIABILITIES		<u>46,532</u>	<u>60,312</u>
TOTAL LIABILITIES		<u>248,530</u>	<u>253,489</u>
NET ASSETS		<u><u>1,202,177</u></u>	<u><u>1,209,311</u></u>
EQUITY			
Asset revaluation reserve		331,039	332,223
Retained profits		871,138	877,088
TOTAL EQUITY		<u><u>1,202,177</u></u>	<u><u>1,209,311</u></u>

The accompanying notes form part of these financial statements.

DARLINGTON POINT CLUB LTD
ABN 46 001 068 702

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Note	Retained Earnings	Asset Revaluation Reserve	Total
Balance at 1 October 2014		821,905	333,407	1,155,312
Comprehensive income				
Net profit for the year attributable to members		53,771	-	53,771
Transfer for depreciation on revaluation		1,184	(1,184)	-
Adjustment to previous year		228		228
Total comprehensive income attributable to members		<u>55,183</u>	<u>(1,184)</u>	<u>53,999</u>
Balance at 30 September 2015		877,088	332,223	1,209,311
Comprehensive income				
Net profit for the year attributable to members		(7,134)	-	(7,134)
Transfer for depreciation on revaluation		1,184	(1,184)	-
Total comprehensive income attributable to members		<u>(5,950)</u>	<u>(1,184)</u>	<u>(7,134)</u>
Balance at 30 September 2016		<u><u>871,138</u></u>	<u><u>331,039</u></u>	<u><u>1,202,177</u></u>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers		1,579,105	1,684,546
Payments to suppliers and employees		(1,496,304)	(1,583,066)
Interest received		167	764
Finance costs		(712)	(1,309)
Net cash provided by operating activities		<u>82,257</u>	<u>100,934</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	23,000
Payments for property, plant and equipment		(71,596)	(241,302)
Net cash provided by investing activities		<u>(71,596)</u>	<u>(218,302)</u>
Cash flows from financing activities			
Proceeds from borrowings		52,793	137,952
Repayment of borrowings		(50,384)	(41,563)
Net cash used in financing activities		<u>2,409</u>	<u>96,389</u>
Net increase in cash held		13,070	(20,979)
Cash at beginning of financial year		117,926	138,905
Cash at end of financial year	4	<u>130,996</u>	<u>117,926</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

The financial statements cover Darlington Point Club Ltd as an individual entity, incorporated and domiciled in Australia. Darlington Point Club Ltd is a company limited by guarantee.

The financial statements were authorised for issue on 20 December 2016 by the directors of the company

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependents on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Revenue

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

Donations and bequests are recognised when revenue is received.

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

Revenue from the rendering of a service 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).

(b) Inventories

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

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

(c) Property, Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and any 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 the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

Note 1: Summary of Significant Accounting Policies (cont'd)

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer Note 1(e) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity 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:

Land and Buildings	2.5% - 5%
Plant and Machinery	5% - 100%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

The entity holds poker machine licences either acquired through a past business combination or granted for no consideration by the NSW government. AIFRS requires that licences outside of a pre-AIFRS transition business combination be recognised initially at its fair value as at the date it was granted with a corresponding adjustment to profit and loss to recognise the grant immediately as income. Until new gaming legislation taking effect in April 2002 allowing poker machine licences to be traded for the first time, the entity has determined the fair value at grant date for licences granted pre April 2002 to be zero. Licences granted to the entity post April 2002 are initially recognised at fair value. The entity has determined that the fair market for poker machine licences does not meet the definition of an active market and consequently licences recognised will not be revalued each year.

(d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity 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 in profit or loss immediately.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

Note 1: Summary of Significant Accounting Policies (cont'd)

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost, using the effective interest rate method, or cost. 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 and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

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 cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. 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, reference to similar instruments and option pricing models.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) 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 subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments 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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

Note 1: Summary of Significant Accounting Policies (cont'd)

(iv) Available-for-sale financial assets

Available-for-sale investments 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 the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting date, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a 'loss event') having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors, or a group of debtors, are experiencing financial difficulty, default or delinquency in interest or principal payments, indications that they will enter into bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the writing off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

Note 1: Summary of Significant Accounting Policies (cont'd)

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(e) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying value 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 it and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable value is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

(f) 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

Note 1: Summary of Significant Accounting Policies (cont'd)

(g) 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.

(h) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(i) 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 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 on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(j) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(k) Provisions

Provisions are recognised when the entity 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.

(l) Comparative Figures

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

When an entity 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 preceding period in addition to the minimum comparative financial statements must be presented.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

Note 1: Summary of Significant Accounting Policies (cont'd)

(m) Accounts Payable and Other Payables

Accounts payable 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.

(n) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements 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.

(o) Not-For-Profit Status

Under AIFRS, there are requirements that apply specifically to not-for-profit entities that are not consistent with International Financial Reporting Standards (IFRS) Requirements. The Club has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate, the Club has elected to apply options and exemptions within AIFRS that are applicable to not-for-profit entities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	2016	2015
2 REVENUE		
Operating activities of the company:		
Sales revenue	746,231	831,238
Gaming revenue	564,490	585,538
Subscriptions and nominations	5,930	6,082
Interest received	2(a) 167	764
Other revenue	265,841	257,352
	<u>1,582,660</u>	<u>1,680,974</u>
(a) All interest received is from other corporations.		
Non-operating activities:		
Proceeds from sale of non-current assets	-	-
	<u>-</u>	<u>-</u>
Total revenue	<u>1,582,660</u>	<u>1,680,974</u>

3 PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities before income tax has been determined after:

Expenses:

Administration	470,947	500,517
Entertainment	23,083	21,885
Cost of goods sold	473,074	533,010
	<u>967,104</u>	<u>1,055,413</u>
Employee costs	515,824	488,401
Provision for employee	5,548	(16,023)
	<u>521,372</u>	<u>472,378</u>
Borrowing costs	3(a) 712	1,309
Depreciation and amortisation	100,605	88,210
	<u>1,589,794</u>	<u>1,617,311</u>
Non-operating activities:		
Net gain/(loss) on disposal of non-current assets	-	(9,893)

(a) All borrowing costs are payable to other corporations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	2016	2015
4 CASH AND CASH EQUIVALENTS		
Current assets - cash or cash equivalents	130,996	117,926
	<u>130,996</u>	<u>117,926</u>
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on hand	74,440	63,440
Daily takings deposits	18,954	8,378
Cash at bank - Westpac cheque account	26,397	15,067
Cash at bank - Westpac reserve account	11,206	31,041
	<u>130,996</u>	<u>117,926</u>
5 ACCOUNTS RECEIVABLE AND OTHER DEBTORS		
Trade debtors	24,184	21,150
Other debtors	27,058	25,885
	<u>51,242</u>	<u>47,035</u>

(i) Credit Risk - Accounts Receivable and Other Debtors

The company does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the company's accounts receivable and other debtors exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

(ii) The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Accounts receivable		Other debtors	
	2016	2015	2016	2015
Gross amount				
< 30	17,740	20,900	27,058	25,885
31 - 60	555	200	-	-
61 - 90	3,277	-	-	-
> 90	2,612	50	-	-
	<u>24,184</u>	<u>21,150</u>	<u>27,058</u>	<u>25,885</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	2016	2015	
6 INVENTORIES ON HAND			
Inventory at cost	32,083	32,445	
	<u>32,083</u>	<u>32,445</u>	
7 PROPERTY, PLANT AND EQUIPMENT			
Land and buildings			
Freehold land at fair value:			
- Independent valuation in 2011	200,000	200,000	
Total land	<u>200,000</u>	<u>200,000</u>	
Buildings at fair value:			
- Independent valuation in 2011	740,000	740,000	
Additions at cost	132,410	126,996	
Less accumulated depreciation	(88,261)	(89,712)	
Total buildings	<u>784,148</u>	<u>777,284</u>	
Total land and buildings	<u>984,148</u>	<u>977,284</u>	
Plant and Equipment			
Plant and equipment			
At cost	729,071	662,888	
Less accumulated depreciation	(481,834)	(379,777)	
	<u>247,237</u>	<u>283,111</u>	
Total plant and equipment	<u>247,237</u>	<u>283,111</u>	
Total property, plant and equipment	<u>1,231,386</u>	<u>1,260,395</u>	
Movement in Carrying Amounts			
	Land and Buildings	Plant and Equipment	Total
2016			
Balance at the beginning of the year	977,284	283,111	1,260,395
Additions at cost	5,414	66,183	71,596
Disposals	-	-	-
Loss on disposal of assets	-	-	-
	<u>982,697</u>	<u>349,294</u>	<u>1,331,991</u>
Depreciation expense	1,451	(102,056)	(100,605)
Carrying amount at end of year	<u>984,148</u>	<u>247,237</u>	<u>1,231,386</u>

(a) **Land**
Under the *Registered Clubs Act 1976*, the company is required to distinguish between its core and non-core property.

(b) **Core & Non-Core Property**
Pursuant to Section 41J(2) of the *Registered Clubs Act 1976*, for the financial year ended 30 September 2016:

- (a) all property held by the company is to be classified as core property; and
(b) the company does not hold any non-core property.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

7 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) **Asset revaluations**

The freehold land and buildings were independently valued at 30 September 2011. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties.

At 30 September 2016 the directors reviewed the key assumptions made by the valuers at 30 September 2011. They have concluded that these assumptions remain materially unchanged, and are satisfied that the carrying value does not exceed the recoverable amount of land and buildings at 30 September 2016.

	2016	2015
8 INTANGIBLE ASSETS		
TAB security deposit	5,000	5,000
	<u>5,000</u>	<u>5,000</u>
9 ACCOUNTS PAYABLE AND OTHER PAYABLES		
CURRENT		
Accounts payables	60,342	60,336
Subscriptions in advance	7,491	7,844
Income prepaid	11,453	11,453
Other current payables	17,125	29,999
9(a)	<u>96,411</u>	<u>109,632</u>
(a) Financial liabilities at amortised cost classified as trade and other payables		
Accounts and other payables		
- Total current	96,411	109,632
- Total non-current	-	-
	<u>96,411</u>	<u>109,632</u>
10 LOAN LIABILITIES		
Current	63,580	45,984
Non-current	38,766	53,648
	<u>102,346</u>	<u>99,632</u>

DARLINGTON POINT CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	2016	2015
11 PROVISIONS FOR EMPLOYEE BENEFITS		
Opening balance at 1 October 2015	44,225	
Additional provisions raised during the year	5,548	
Balance at 30 September 2016	<u>49,774</u>	
Analysis of Total Provisions		
Current	42,008	37,561
Non-current	7,766	6,664
	<u>49,774</u>	<u>44,225</u>

Provision for Non-current Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave.
The measurement and recognition criteria relating to employee benefits have been included in
Note 1(f) to these financial statements.

13 RESERVES

(a) Revaluation Reserve

The revaluation reserve records the revaluation of non-current assets.

