



Year ended 30 June 2019

Financial Statements including Audit Report

Gulgong Bowling & Sporting Club Ltd
ABN: 68 001 068 417

PRESIDENT'S REPORT – GULGONG MEN'S BOWLING CLUB 2019

The year 2018/19 saw a mixed year, both on and off the bowling greens for the Gulgong Men's Bowling Club, as displayed in the following areas:

Membership

Membership dropped from the previous year due to players leaving Gulgong, age and ill health. Disappointingly, the Club was forced to reduce to two pennant sides in the Zone 4 competition, as well as a small contingent of social bowlers.

Bowling

Despite the drop in membership, the Club still managed success in the following areas:

- Grade 3 Pennants – Zone 4 winners and advancement to State playoffs
- Men's Senior Triples - Zone 4 Champions and advancement to State playoffs
- Australian Open – a group of bowlers travelled to the Australian Open Tournament on the Gold Coast, with moderate success
- Juniors – outstanding successes by junior bowlers at Zone and school level – Notably Jordan Thompson, being selected at State level, with special thanks to the coaching efforts of Paul and Mary Woolford

Club championships still present a frustrating issue, with members preferring to drag out the championships due to unavailability and other mundane excuses. The only highlight was the success of the stand-alone Triples Championship weekend, both for interest/convenience and revenue to the Club Ltd.

Social bowling attendance was also down.

Finance

The two major income streams for the Club remain:

- Green and competition fees
- Regular raffles

The Club operates out of two accounts, being:

- Commonwealth Bank Cheque Account
- GBSC Clearing account – **DB \$1097.00** – as at 17 September 2019, mainly in debit due to payments for RBSWBA and Tamworth accommodation
- Cheque Account – as at 18 September 2019, the cheque account balance stands at **\$12843**, not including:
 - \$1000.00 to be dispersed to members representing the Club in the Senior Triples State Championships
 - NOTE** Deposits of \$1410.00 and \$755.00 are **STILL** being held from respective charity fund raising days, for disbursement to GBSC in relation to purchase of defibrillator and Cecily Conroy Charity Challenge

Major Purchases

The Club holds a small number of Club shirts, which remain popular with visitors.

The only other major spending have been in regards to subsidised accommodation and travel for representative teams (i.e.. Grade 3 Pennants and Senior triples) to the amount of approximately **\$8200.00**.

General

There has been speculation regarding the merger of both the Men's and Ladies Bowling Clubs – at a mainly administrative and financial level. Whilst the Men's Club remain open to the proposition, it will take careful manoeuvring by both Clubs – as well as the Club Ltd – to resolve a successful agreement.

I believe the Men's Club is in a sound financial and bowling condition. However, participation in minor Club and social events needs to improve, to keep income streams healthy as well as strengthening all over bowling skills and general camaraderie.

My main message to the bowling members and the GBSC board would be...

'... NO BOWLING... NO CLUB, NO CLUB.... NO BOWLING!!'

Colin Ferguson

President/Secretary

Gulgong Men's Bowling Club

CHAIRMAN'S REPORT

Hello Members,

Thank you all for supporting your Club which enables us to continue making the changes necessary to keep our Club up to date.

Over the past year we have carried out a program to reduce our energy costs with the installation of solar panels. We have also updated the men's bathroom at the eastern end of the premises and have further works planned for the renovation of the disabled facilities.

Special thanks must go to all of our staff who work hard to satisfy all patron's needs.

Groundsman Darrin Elbourn has had a difficult year with the drought conditions with no relief in sight. It takes a lot of work to keep our greens up to the standards required for our great game. Thank you Darrin.

CEO Colleen has made sure everything and everyone is kept on their toes and the Cub ticking over nicely. Many thanks Colleen.

On the Bowls front Col Ferguson (Tractor) has the Men's Club working overtime, although more hands would make his workload a lot lighter. If you can assist in any way, please step up and let him know.

Our Number 3 pennant side won the Zone title and progressed to State level at South Tamworth where they won one game and narrowly lost two leaving them just short of the finals.

Many thanks to Johnny & Apple in the Bistro along with their band of helpers for a well-run kitchen. Members and guests speak highly of the quality of meals produced and we can't thank you all enough for your outstanding efforts.

Thank you to all Directors for the many tasks you perform throughout the year, most of which go unnoticed by our membership as they are performed 'behind the scenes'.

In closing I would like to thank everyone for their continued support, we can only get better.

I wish you all a Merry Christmas and Prosperous New Year.

Our condolences go to the families of our departed members.

Hilton John Mobbs

Chairman

SECRETARY MANAGER'S REPORT - 2019

The financial report for the past year does not show the result that we would have all hoped for, though I believe it does reflect the effects of the ongoing drought on our community.

We commend the proprietors of the Lucky Star Bistro, Johnny and Apple, who continue to set the highest of standards with their cuisine and their work ethic. We thank them for their outstanding efforts in providing our members with a delicious Chinese and Australian menu.

Our Club continues to support community projects and local sporting bodies both financially and by making our clubhouse and facilities available where possible. We will continue to welcome members and guests to hold their functions, meetings, fun days and other activities, and will do all that we can to ensure your events are successful. We provide a wide range of both sporting and social facilities for your pleasure and we encourage you to make use of them whenever possible. If you think this is beginning to sound like an advertisement you would be right! Remember the old saying – ‘*use it or lose it*’, this also rings true for all of your local businesses.

The past year has been a busy one with ongoing updates to our facilities including a fresh paint job throughout, updated men's rest room facility, blinds on the plate glass windows (to assist with energy costs), the installation of the solar panels and many updates to the gaming area. There have been many equipment updates necessary this year both in the Bistro and the Club Administration area, and we have undertaken a maintenance program for both indoor and outdoor facilities to guarantee we can provide the best possible social experiences for our members.

Our staff and directors continue to devote their time and energy in making ours the leading Club in town. Their ongoing commitment is testament to their loyalty to your Club and reflects a work ethic which I doubt could be matched elsewhere. Our staff endeavour to provide a safe and friendly atmosphere every day and I thank each one of them for their outstanding efforts and their friendship and support without which this Club could not operate successfully.

Congratulations must go to our Ladies and Mens Bowling fraternity for their outstanding efforts throughout the 2018/2019 season. We have this year seen representatives from both Clubs reach State representative level in their chosen sport.

I would like to thank all of our members for their support and remind you all that this is ***your*** Club and you should exercise your right to an opinion. ***To this end I encourage you all to take the opportunity to do so by attending your Annual General Meeting to vote.***

My door is also always open should you have issues which you would like to discuss, and I will welcome constructive feedback on all issues relating to our Club.

In closing I would like to commend every Director, Staff Member and volunteer for their outstanding contributions over the past twelve months. A community Club such as ours depends on the generosity and hard work of these people to prosper.

Colleen Ryan

Gulgong Bowling & Sporting Club Ltd

ABN:68 001 068 417

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Gulgong Bowling & Sporting Club Ltd

ABN:68 001 068 417

Directors' Report 30 June 2019

The directors present their report on Gulgong Bowling & Sporting Club Ltd for the financial year ended 30 June 2019.

1. General information

Information on directors

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

John Hilton Mobbs

Experience	Over 20 years services as Director/Chairman
Special responsibilities	Chairman
Committees	Finance, Staff and Greens Committee

Graham Germon

Experience	Previous Director/Chairman; 5 years on board
Special responsibilities	Vice Chairman
Committees	Building, Functions and Entertainment Committee

Alex Lithgow

Experience	Director; 5 years on board
Committees	Finance, Staff and Technology Committee

Julie Wood

Experience	Director; 5 years on board
Special responsibilities	Treasurer
Committee	Finance and Building Committee

Roger Howard

Experience	Director; 3 years on board
Special responsibilities	Raffles Committee

Michael Thompson

Experience	Director; 3 years on board
Special responsibilities	Junior Development Squad

Mary Woolford

Experience	Director; 2 years on board
Special responsibilities	Junior Development Squad and Womens Bowls

Colin Ferguson

Experience	Director; 2 years on board
Special responsibilities	Mens Bowls and Entertainment Committee

Gulgong Bowling & Sporting Club Ltd

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Directors' Report

30 June 2019

1. General information

Information on directors

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

Principal activities

The principal activity of Gulgong Bowling & Sporting Club Ltd during the financial year was to provide bowling club facilities for its members and guests.

No significant changes in the nature of the company's activity occurred during the financial year.

Short term objectives

The company's short term objectives are to:

- To continue to provide financial assistance to local sporting and charitable bodies;
- To support the objectives of the company in accordance with its constitution;
- Increase revenue streams from the Club's sporting and function facilities;
- Continue a program of maintenance and renovation for the comfort of members and guests; and
- Ensure that the Club continues to trade with reported profit to the members.

Long term objectives

The company's long term objectives are to:

- Reduce the Club's dependence on gaming revenue;
- Develop in conjunction with our members and the community land held by the club to provide for diversified income and long term financial stability; and
- Continue to promote lawn bowls and maintain the best bowling greens in the District.

Strategy for achieving the objectives

To achieve these objectives, the company has adopted the following strategies:

- Building relationship with local sporting organisations to ensure mutually beneficial outcomes and to promote the Club's sporting and function facilities through assisted fundraising and promotion;
- Increased budgetary controls and measures of efficiency for major expenses including utilities;
- Form a Club development committee to provide reporting to the board on development and better utilisation of Club land; and
- Extensive review of the pricing of all goods and services.

Gulgong Bowling & Sporting Club Ltd

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Directors' Report

30 June 2019

1. General information

Performance measures

The following measures are used within the company to monitor performance:

- Monthly board meetings are held with review of financial information including monthly and year to date trading results with comparisons to previous year.
- Review of reports on revenue trends including gaming analysis, profitability measures, wage and overhead costs.
- Membership for the financial year was 937 (2018: 995).
- The company has complied with all Workplace Health and Safety, Employment and Environmental reviews conducted by external regulatory bodies.

Members' guarantee

Gulgong Bowling & Sporting Club Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$2 per member towards the company's liabilities subject to the provision of the company's constitution.

At 30 June 2019 the collective liability of members was \$1,874 (2018: \$1,990).

Meetings of directors

During the financial year, 11 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
John Hilton Mobbs	12	11
Graham Germon	12	12
Alex Lithgow	12	11
Julie Wood	12	8
Roger Howard	12	11
Mary Woolford	12	8
Michael Thompson	12	10
Colin Ferguson	12	7

Gulgong Bowling & Sporting Club Ltd

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Directors' Report

30 June 2019

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2019 has been received and can be found on page 5 of the financial report.

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

Director: .....
John Hilton Mobbs

Director: .....
Graham Germon

Dated this 11..... day of OCTOBER 2019

Gulgong Bowling & Sporting Club Ltd

ABN: 68 001 068 417

Crowe Central West

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Audit and Assurance Services

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Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Gulgong Bowling & Sporting Club Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, 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 Central West

CROWE CENTRAL WEST



Gabriel Faponle
Audit Partner
Registered Company Auditor No. 513644

Dated at Dubbo on the 11th day of October 2019

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Gulgong Bowling & Sporting Club Ltd

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2019

		2019	2018
	Note	\$	\$
Revenue		1,285,341	1,234,518
Cost of sales		(250,182)	(260,349)
Employee benefits expense	5	(406,854)	(386,290)
Depreciation and amortisation expense	5	(86,098)	(99,021)
Other expenses	5	(436,414)	(421,460)
Income tax expense		-	-
Surplus for the year		105,793	67,398
Total comprehensive income for the year		105,793	67,398

The accompanying notes form part of these financial statements.

Gulgong Bowling & Sporting Club Ltd

ABN:68 001 068 417

Statement of Financial Position As At 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	406,139	374,931
Trade and other receivables	7	15,562	6,390
Inventories	8	26,811	24,383
Other assets	9	12,879	9,956
TOTAL CURRENT ASSETS		<u>461,391</u>	<u>415,660</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,165,036	1,095,599
TOTAL NON-CURRENT ASSETS		<u>1,165,036</u>	<u>1,095,599</u>
TOTAL ASSETS		<u>1,626,427</u>	<u>1,511,259</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	70,388	70,030
Short-term provisions	13	66,019	64,611
Financial Liabilities	12	12,000	7,847
TOTAL CURRENT LIABILITIES		<u>148,407</u>	<u>142,488</u>
NON-CURRENT LIABILITIES			
Long-term provisions	13	9,412	5,956
TOTAL NON-CURRENT LIABILITIES		<u>9,412</u>	<u>5,956</u>
TOTAL LIABILITIES		<u>157,819</u>	<u>148,444</u>
NET ASSETS		<u>1,468,608</u>	<u>1,362,815</u>
EQUITY			
Reserves		510,806	510,806
Retained earnings		957,802	852,009
TOTAL EQUITY		<u>1,468,608</u>	<u>1,362,815</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 30 June 2019

2019

	Retained Earnings	Asset Realisation Reserve	Total
	\$	\$	\$
Balance at 1 July 2018	852,009	510,806	1,362,815
Surplus for the year	105,793	-	105,793
Balance at 30 June 2019	957,802	510,806	1,468,608

2018

	Retained Earnings	Asset Realisation Reserve	Total
	\$	\$	\$
Balance at 1 July 2017	784,611	510,806	1,295,417
Surplus for the year	67,398	-	67,398
Balance at 30 June 2018	852,009	510,806	1,362,815

Gulgong Bowling & Sporting Club Ltd

ABN:68 001 068 417

Statement of Cash Flows For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,396,657	1,347,426
Payments to suppliers and employees	(1,215,361)	(1,138,085)
Interest received	1,292	1,757
Net cash provided by/(used in) operating activities	15 <u>182,588</u>	<u>211,098</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of non-current assets	<u>(155,533)</u>	(143,896)
Net cash used by investing activities	<u>(155,533)</u>	<u>(143,896)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	4,153	31,390
Repayment of borrowings	-	(24,857)
Net cash used by financing activities	<u>4,153</u>	<u>6,533</u>
Net increase/(decrease) in cash and cash equivalents held	31,208	73,735
Cash and cash equivalents at beginning of year	<u>374,931</u>	301,196
Cash and cash equivalents at end of financial year	6 <u><u>406,139</u></u>	<u><u>374,931</u></u>

The accompanying notes form part of these financial statements.

Gulgong Bowling & Sporting Club Ltd

ABN:68 001 068 417

Notes to the Financial Statements

For the Year Ended 30 June 2019

The financial report covers Gulgong Bowling & Sporting Club Ltd as an individual entity. Gulgong Bowling & Sporting Club Ltd is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Gulgong Bowling & Sporting Club Ltd is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

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

The financial statements 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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the company and specific criteria relating to the type of revenue as noted below, has been satisfied.

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

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(c) Revenue and other income

Interest revenue

Interest is recognised using the effective interest method.

(d) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of Inventory is determined using the first-in-first-out basis and is net of any rebates and discount received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(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 of losses.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Where the cost model is used, the asset is carried at its 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 measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies (continued)

(f) Property, plant and equipment (continued)

Depreciation

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

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant & Equipment	5% - 40%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Impairment of non-financial assets

Impairment of financial assets

At the end of the reporting period the company determines whether there is an evidence of an impairment indicator for non-financial assets.

(h) 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.

(i) Employee Benefits

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.

Employee Benefit Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies (continued)

(j) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards. The following summarises those future requirements and their impact on the Company where the standard is relevant:

(i) AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right of use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short term leases of 12 months or less and leases of low value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right of use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117.

AASB 15 Revenue from Contracts from Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative standalone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Company will not adopt this standard from 1 July 2018 due to its not-for-profit status.

AASB 1058 Income of Not-for-Profit Entities

This Standard applies to annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted, provided entities also apply AASB 15 Revenue from Contracts with Customers to the same period.

It clarifies and simplifies the income recognition requirements that apply to not for profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

Notes to the Financial Statements
For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies (continued)

(j) New accounting standards for application in future periods

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'rightofuse' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short term leases of 12 months or less and leases of low value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'rightofuse' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117.

3 Critical Accounting Estimates and Judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - employee benefits

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

4 Revenue and other income

	2019	2018
	\$	\$
Sales revenue		
- Bar Sales	524,757	521,167
- Poker machine revenue	546,523	506,924
Total operating revenue	1,071,280	1,028,091
Finance income		
- Interest income	1,292	1,757
	1,292	1,757

Gulgong Bowling & Sporting Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2019

Revenue and other income (continued)

	2019	2018
	\$	\$
Other revenue		
- GST rebate	17,180	15,618
- Other revenue	69,703	89,622
- Competition revenue	19,228	3,434
- Raffles	48,088	44,438
- Subscriptions	12,245	13,400
- Commissions received	46,325	38,158
	<u>212,769</u>	<u>204,670</u>
Total Revenue	<u><u>1,285,341</u></u>	<u><u>1,234,518</u></u>

5 Result for the Year

	2019	2018
	\$	\$
- Employee benefits expense	406,854	386,290
- Depreciation and amortisation expense	86,098	99,021
	<u>492,952</u>	<u>485,311</u>

The result for the year includes the following specific expenses:

	2019	2018
	\$	\$
Other expenses:		
- Advertising & promotions	115,866	114,606
- Repairs and maintenance	29,022	16,287
- Insurance	19,683	17,434
- Other operating expenses	138,826	148,972
- Loss on disposal of assets	-	12,233
- Entertainment & membership	62,160	57,466
- Utilities	70,857	54,462
Total Other Expenses	<u>436,414</u>	<u>421,460</u>

6 Cash and Cash Equivalents

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:

	2019	2018
	\$	\$
Cash at bank and in hand	<u>406,139</u>	<u>374,931</u>
Cash at bank and in hand	<u><u>406,139</u></u>	<u><u>374,931</u></u>

Gulgong Bowling & Sporting Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2019

7 Trade and Other Receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	710	1,550
	<u>710</u>	<u>1,550</u>
Other receivables	14,852	4,840
	<u>14,852</u>	<u>4,840</u>
Total current trade and other receivables	<u>15,562</u>	<u>6,390</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

8 Inventories

	2019	2018
	\$	\$
CURRENT		
At cost:		
Stock on hand	26,811	24,383
	<u>26,811</u>	<u>24,383</u>
Total inventories	<u>26,811</u>	<u>24,383</u>

9 Other Assets

	2019	2018
	\$	\$
CURRENT		
Prepayments	7,879	4,956
Tabcorp Deposit	5,000	5,000
	<u>5,000</u>	<u>5,000</u>
Total other assets	<u>12,879</u>	<u>9,956</u>

10 Property, plant and equipment

	2019	2018
	\$	\$
Freehold land		
At independent valuation	250,000	250,000
	<u>250,000</u>	<u>250,000</u>
Total Land	<u>250,000</u>	<u>250,000</u>

Gulgong Bowling & Sporting Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2019

10 Property, plant and equipment (continued)

	2019	2018
	\$	\$
Buildings		
At independent valuation	736,607	664,948
Accumulated depreciation	<u>(87,405)</u>	<u>(65,955)</u>
Total buildings	<u>649,202</u>	598,993
Total land and buildings	<u>899,202</u>	<u>848,993</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	1,161,487	1,077,611
Accumulated depreciation	<u>(895,653)</u>	<u>(831,005)</u>
Total plant and equipment	<u>265,834</u>	246,606
Total plant and equipment	<u>265,834</u>	<u>246,606</u>
Total property, plant and equipment	<u>1,165,036</u>	<u>1,095,599</u>

(a) Movements in Carrying Amounts

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

	Land	Buildings	Plant & Equipment	Total
	\$	\$	\$	\$
Year ended 30 June 2019				
Balance at the beginning of the year	250,000	598,993	246,606	1,095,599
Additions	-	71,659	83,876	155,535
Disposals				
Depreciation expense	-	(21,450)	(64,648)	(86,098)
Balance at the end of the year	<u>250,000</u>	<u>649,202</u>	<u>265,834</u>	<u>1,165,036</u>

	Land	Buildings	Plant & Equipment	Total
	\$	\$	\$	\$
Year ended 30 June 2018				
Balance at the beginning of the year	250,000	617,303	195,654	1,062,957
Additions	-	-	143,896	143,896
Disposals - Written down value	-	-	(12,233)	(12,233)
Depreciation Expense	-	(18,310)	(80,711)	(99,021)
Balance at the end of the year	<u>250,000</u>	<u>598,993</u>	<u>246,606</u>	<u>1,095,599</u>

Gulgong Bowling & Sporting Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2019

11 Trade and Other Payables

	2019	2018
	\$	\$
Current		
Trade payables	46,664	39,921
Sundry payables and Accrued Expenses	23,724	30,109
Total trade and other payables	70,388	70,030

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

12 Borrowings

	2019	2018
	\$	\$
CURRENT		
Unsecured liabilities:		
Other Financial liabilities	-	7,847
Bank loans	12,000	-
Total current borrowings	12,000	7,847

13 Employee Benefit Provisions

	2019	2018
	\$	\$
CURRENT		
Current Provisions	66,019	64,611
Long-term provisions	9,412	5,956
Total employee benefit provisions	75,431	70,567

14 Contingencies

In the opinion of the Directors, the company did not have any contingencies at 30 June 2019 (30 June 2018:None).

Gulgong Bowling & Sporting Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2019

15 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2019	2018
	\$	\$
Surplus for the year	105,792	67,398
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	86,098	99,021
- net gain on disposal of property, plant and equipment	-	12,233
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(9,172)	(673)
- (increase)/decrease in other assets	(2,924)	8,357
- (increase)/decrease in inventories	(2,428)	(1,725)
- increase/(decrease) in other creditors	(7,272)	16,357
- increase/(decrease) in trade and other payables	6,742	(5,296)
- increase/(decrease) in accruals	888	149
- increase/(decrease) in provisions	4,864	15,277
Cashflows from operations	<u>182,588</u>	<u>211,098</u>

16 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.

17 Company Details

The registered office of the company is:
Gulgong Bowling & Sporting Club Ltd
Tallawang Road
Gulgong NSW 2852

Gulgong Bowling & Sporting Club Ltd

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Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 20, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date 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 
John Hilton Mobbs

Director 
Graham Germon

Dated this 11 day of OCTOBER, 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GULGONG BOWLING & SPORTING CLUB LTD

ABN: 68 001 068 417

Opinion

We have audited the financial report of Gulgong Bowling & Sporting Club Ltd (the Entity), which comprises the balance sheet as at 30 June 2019, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report of the Entity is prepared, in all material respects, in accordance with Corporations Act 2001.

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2019 and of its financial performance for the year ended that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Corporation *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 Entity in accordance with 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 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.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 30 June 2019,, 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.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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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.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report in accordance with Australian Accounting Standards – (Reduced Disclosure Requirement) and Corporations Act 2001 and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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 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 the financial report.

As part of an audit in accordance with 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 our 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, misrepresentation, 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of the responsible entity'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 registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are 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 our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity 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.

We communicate 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 we identify during our audit.

Crowe Central west

CROWE CENTRAL WEST



Gabriel Faponle
Audit Partner
Registered Company Auditor No. 513644

Dated at Dubbo on the 11th day of October 2019