

Year ended 30 June 2020

Financial Statements including Audit Report

Gulgong Bowling & Sporting Club Ltd

ABN: 68 001 068 417

2020 PRESIDENT'S REPORT

Dear Members,

Thank you all for your support during the Covid-19 period and lock down. Although we are not yet having entertainment in the Club, we have reinstated our Friday Night Raffle and Badge Draw along with Wednesday Bingo and a pool competition on Saturday afternoons. We hope for everything to return to normal in the near future.

During the shutdown a lot of work was undertaken in the Club and on the squash courts. The new carpet and cleaned ceiling has your Club looking completely renewed. New tiles along with sub floor repairs around the bar and TAB area have made a great difference to the overall look. The squash courts have a new floor along with new doors and locks. The roof of the courts has also been repaired to ensure no leaks on the hardwood floor. We trust that when the squash competition is able to be played you will all appreciate the repairs and upgrades.

Many thanks to our loyal staff members Bec, Alyxe, Maddie, Michelle, Dave, Trish, Darrin and Peter for their efforts this year. You have all excelled during these difficult times.

With the ongoing drought followed by Covid-19 pandemic the recent rain has provided a welcome change.

Johnny, Apple and their staff continue to provide wonderful meals and service from the kitchen. Thank you, we could not do without you.

To our Manager Colleen, thank you for your organisational skills and attention to detail large and small.

Darrin continued to work full time through the Covid-19 shut down to ensure that our greens were kept in top condition and also to lend a hand with the construction within the club house. Many thanks for your efforts.

Many thanks also to the Directors for their efforts and support over the last twelve months.

Our condolences go to the families of our departed members.

H John Mobbs

Chairman

SECRETARY MANAGER'S REPORT 2020

The Covid-19 Pandemic and the resulting forced shut down of business has been a trying time for us all. With your support The Club has been able to turn that negative into a positive by using the time to refurbish both the main lounge area and the squash courts, along with some pressing maintenance issues related to the club sub floors. I am sure you will all be as anxious as I am to see the New Year in and put all of the trials related to Covid-19 behind us.

Our Covid-19 restrictions look like staying with us for some time though, and while it is not quite 'business as usual' we are doing the best we can to offer our members as many of your normal weekly social activities as possible. Our region has been clean so far and it is up to us all to continue to follow the guidelines published by NSW Health to protect our community in the only way available. To that end you will all have noticed that we at the Club have taken all steps to distance, sanitise and ensure we are able to trace all visitors. In recent weeks we have taken the decision to exclude visitors from areas East of Lithgow, Newcastle City and Victoria. We have not taken this decision lightly however we believe we have a responsibility to protect both our members and the wider local community. We thank you for your patience and support through these trying times.

We are very happy with the transformation created by new floors, carpets, tiles and ceilings and the necessary re-arrangement of the furnishings, which would not have been possible without the support and assistance of both staff and volunteers and we offer our sincere thanks for your efforts to ensure that we were able to use the forced shut down in the most productive way. We also have plans in place to freshen up the bar front and the foyer counter and with any luck they will be installed by the time you are reading this report.

Our very loyal staff have all remained on board through their own hardships, and indeed volunteered their time along with Directors during refurbishment and again we offer our heartfelt thanks to you all.

There have been other major changes through the year including the amalgamation of the Men's and Women's bowling clubs at a local level. This move was made in anticipation of a state amalgamation of NSW Women's and Men's Bowling Associations and the changes seem to be working smoothly so far. We are very grateful for the hard work and cooperation shown by the Executive and members of both organisations to get this initiative off the ground successfully.

As our members will know Johnny and Apple continued to trade with takeaways only during the shut-down and we thank them for their loyalty and commitment to the Club.

The 10 weeks of lost revenue will obviously affect our bottom line this year. I am however pleased to report that even with the works carried out in that time we will still show a profit for 2020. This result is a direct indication of the support and loyalty of our membership, staff and Directors for which we are grateful.

In conclusion I would like to sincerely thank the Board of Directors for their continued support throughout this very trying year.

Please consider showing your support of the Staff and Board of Directors by attending the Annual General Meeting in this **Non-Election** year.

Colleen Ryan

Secretary/Manager

Gulgong Bowling & Sporting Club Ltd

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Gulgong Bowling & Sporting Club Ltd

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Directors' Report 30 June 2020

The directors present their report on Gulgong Bowling & Sporting Club Ltd for the financial year ended 30 June 2020.

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; 7 years on board
Special responsibilities	Vice Chairman
Committees	Building, Functions and Entertainment Committee

Alex Lithgow

Experience	Director; 6 years on board
Committees	Finance, Staff and Technology Committee

Julie Wood

Experience	Director; 6 years on board
Special responsibilities	Treasurer
Committee	Finance and Building Committee

Roger Howard

Experience	Director; 4 years on board
Special responsibilities	WH&S Policies

Michael Thompson

Experience	Director; 4 years on board
Special responsibilities	Junior Development Squad

Mary Woolford

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

Colin Ferguson

Experience	Director; 3 years on board
Special responsibilities	Mens Bowls and Entertainment Committee

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

Gulgong Bowling & Sporting Club Ltd

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Directors' Report

30 June 2020

1. General information continued

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 off the pricing of all goods and services.

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

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Directors' Report

30 June 2020

1. General information continued

Performance measures continued

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 2020:1,039 (2019: 937).
- 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 2020 the collective liability of members was \$2,078 (2019: \$ 1,874).

Meetings of directors

During the financial year, 12 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	11
Alex Lithgow	12	10
Julie Wood	12	10
Roger Howard	12	10
Mary Woolford	12	9
Michael Thompson	12	8
Colin Ferguson	12	9

Gulgong Bowling & Sporting Club Ltd

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Directors' Report

30 June 2020

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2020 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: 
Alexander Lithgow

Dated this TWENTY SIXTH day of OCTOBER 2020

Gulgong Bowling & Sporting Club Ltd

ABN:68 001 068 417

Crowe Central WestABN 73 139 862 923
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PO Box 684
Bathurst NSW 2795 Australia
Tel 02 6330 2200
Fax 02 6330 2299www.crowe.com.au**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 2020, 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**

Gabriel Faponle
Audit Partner
Registered Company Auditor No. 513644

Dated at Dubbo on the 26th day of October 2020

Liability limited by a scheme approved under Professional Standards Legislation.

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 2020

		2020	2019
	Note	\$	\$
Total revenue and other income	4	1,188,351	1,285,341
Cost of sales		(215,746)	(250,182)
Employee benefits expense	5	(387,156)	(406,854)
Depreciation and amortisation expense	5	(104,446)	(86,098)
Other expenses	5	(376,022)	(436,414)
Surplus for the year		104,981	105,793
Income tax expense		-	-
Total comprehensive income for the year		104,981	105,793

The company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

Gulgong Bowling & Sporting Club Ltd

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Statement of Financial Position As At 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	367,063	406,139
Trade and other receivables	7	15,302	15,562
Inventories	8	14,545	26,811
Other assets	9	10,940	12,879
TOTAL CURRENT ASSETS		<u>407,850</u>	<u>461,391</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,292,955	1,165,036
Intangible assets	11	50,000	-
TOTAL NON-CURRENT ASSETS		<u>1,342,955</u>	<u>1,165,036</u>
TOTAL ASSETS		<u>1,750,805</u>	<u>1,626,427</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	51,611	70,388
Borrowings	13	4,500	12,000
Short-term provisions	14	63,706	66,019
TOTAL CURRENT LIABILITIES		<u>119,817</u>	<u>148,407</u>
NON-CURRENT LIABILITIES			
Borrowings	13	45,411	-
Long service leave provisions	14	11,988	9,412
TOTAL NON-CURRENT LIABILITIES		<u>57,399</u>	<u>9,412</u>
TOTAL LIABILITIES		<u>177,216</u>	<u>157,819</u>
NET ASSETS		<u>1,573,589</u>	<u>1,468,608</u>
EQUITY			
Reserves		510,806	510,806
Retained earnings		1,062,783	957,802
TOTAL EQUITY		<u>1,573,589</u>	<u>1,468,608</u>

The company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

Gulgong Bowling & Sporting Club Ltd

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Statement of Changes in Equity For the Year Ended 30 June 2020

2020

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2019	957,802	510,806	1,468,608
Surplus for the year	104,981	-	104,981
Balance at 30 June 2020	1,062,783	510,806	1,573,589

2019

	Retained Earnings	Asset Revaluation 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

The company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

Gulgong Bowling & Sporting Club Ltd

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Statement of Cash Flows For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,294,104	1,396,657
Payments to suppliers and employees	(1,091,343)	(1,215,361)
Interest received	2,618	1,292
Net cash provided by/(used in) operating activities	16 <u>205,379</u>	<u>182,588</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of non-current assets	<u>(282,366)</u>	<u>(155,533)</u>
Net cash used by investing activities	<u>(282,366)</u>	<u>(155,533)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	<u>37,911</u>	4,153
Net cash used by financing activities	<u>37,911</u>	<u>4,153</u>
Net increase/(decrease) in cash and cash equivalents held	(39,076)	31,208
Cash and cash equivalents at beginning of year	<u>406,139</u>	374,931
Cash and cash equivalents at end of financial year	6 <u><u>367,063</u></u>	<u><u>406,139</u></u>

The accompanying notes form part of these financial statements.

Gulgong Bowling & Sporting Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2020

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 is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies continued

(c) Revenue and other income continued

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.

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.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies continued

(f) Property, plant and equipment continued

Plant and equipment

Plant and equipment are measured using the cost model.

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	10% - 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

For comparative year

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Impairment of Financial Assets

At the end of the reporting period the company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies continued

(g) Impairment of non-financial assets continued

Impairment of Financial Assets continued

of the asset is taken directly to other comprehensive income.

(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.

(j) New accounting standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 15 Revenue from Contracts with Customers

The company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are 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. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies continued

(j) New accounting standards and Interpretations adopted continued

AASB 1058 Income of Not-for-Profit Entities

The company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

AASB 16 Leases

The company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (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. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 15, AASB 16 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2019.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Critical Accounting Estimates and Judgements continued

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

	2020	2019
	\$	\$
- Bar Sales	429,978	524,757
- Poker machine revenue	547,056	546,523
Total operating revenue	977,034	1,071,280
Finance income		
- Interest income	2,618	1,292
	2,618	1,292
Other Income		
- GST rebate	17,180	17,180
- Competition revenue	3,095	19,228
- Raffles income	40,169	48,088
- Subscriptions	10,914	12,245
- Commissions received	39,375	46,325
- Other revenue	97,968	69,703
	208,700	212,769
Total revenue and other income	1,188,351	1,285,341

5 Result for the Year

	2020	2019
	\$	\$
- Employee benefits expense	387,156	406,854
- Depreciation and amortisation expense	104,446	86,098
	491,602	492,952

Gulgong Bowling & Sporting Club Ltd

ABN:68 001 068 417

Notes to the Financial Statements For the Year Ended 30 June 2020

5 Result for the Year continued

The result for the year includes the following specific expenses:

	2020	2019
	\$	\$
Other expenses:		
- Advertising & promotions	108,689	115,866
- Repairs and maintenance	32,951	29,022
- Insurance	21,388	19,683
- Other operating expenses	123,552	138,826
- Entertainment & membership	47,933	62,160
- Utilities	41,509	70,857
Total Other Expenses	376,022	436,414

6 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank and in hand	367,063	406,139
Total Cash and cash equivalents	367,063	406,139

7 Trade and Other Receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	13,858	710
Other receivables	1,444	14,852
Total current trade and other receivables	15,302	15,562

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

8 Inventories

	2020	2019
	\$	\$
CURRENT		
At cost:		
Stock on hand	14,545	26,811
Total inventories	14,545	26,811

Gulgong Bowling & Sporting Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2020

9 Other Assets

	2020	2019
	\$	\$
CURRENT		
Prepayments	5,940	7,879
Tabcorp deposit	5,000	5,000
Total other assets	10,940	12,879

10 Property, plant and equipment

	2020	2019
	\$	\$
Freehold land		
At independent valuation	250,000	250,000
Total Land	250,000	250,000
Buildings		
At independent valuation	834,048	736,607
Accumulated depreciation	(114,767)	(87,405)
Total buildings	719,281	649,202
Total land and buildings	969,281	899,202
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	1,296,411	1,161,487
Accumulated depreciation	(972,737)	(895,653)
Total plant and equipment	323,674	265,834
Total property, plant and equipment	1,292,955	1,165,036

(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 2020				
Balance at the beginning of the year	250,000	649,202	265,834	1,165,036
Additions	-	97,438	134,924	232,362
Depreciation expense	-	(27,359)	(77,084)	(104,443)
Balance at the end of the year	250,000	719,281	323,674	1,292,955

Gulgong Bowling & Sporting Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2020

10 Property, plant and equipment continued

(a) Movements in Carrying Amounts

	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
Depreciation Expense	-	(21,450)	(64,648)	(86,098)
Balance at the end of the year	250,000	649,202	265,834	1,165,036

11 Intangible Assets

	2020	2019
	\$	\$
Poker machine licenses		
Cost	50,000	-
Total Intangible Assets	50,000	-

12 Trade and Other Payables

	2020	2019
	\$	\$
Trade payables	21,272	46,664
Sundry payables and Accrued Expenses	30,339	23,724
Total trade and other payables	51,611	70,388

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.

13 Borrowings

	2020	2019
	\$	\$
CURRENT		
Other financial liabilities	4,500	-
Bank loans	-	12,000
	4,500	12,000
NON CURRENT		
Hire Purchase Liability	45,411	-
	45,411	-
Total current borrowings	49,911	12,000

Gulgong Bowling & Sporting Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2020

14 Employee Benefit Provisions

	2020	2019
	\$	\$
CURRENT		
Annual leave provision	48,035	51,270
Long service leave provision	15,671	14,749
	<u>63,706</u>	<u>66,019</u>
NON-CURRENT		
Long service leave provisions	11,988	9,412
	<u>11,988</u>	<u>9,412</u>

15 Contingencies

In the opinion of the Directors, the company did not have any contingencies at 30 June 2020 (30 June 2019:None).

16 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:

	2020	2019
	\$	\$
Surplus for the year	104,981	105,792
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	104,446	86,098
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	260	(9,172)
- (increase)/decrease in other assets	1,939	(2,924)
- (increase)/decrease in inventories	12,266	(2,428)
- increase/(decrease) in trade and other payables	(19,767)	(530)
- increase/(decrease) in accruals	990	888
- increase/(decrease) in provisions	264	4,864
Cashflows from operations	<u>205,379</u>	<u>182,588</u>

17 Events after the end of the Reporting Period

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

18 Company Details

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

Gulgong Bowling & Sporting Club Ltd
Tallawang Road
Gulgong NSW 2852

Gulgong Bowling & Sporting Club Ltd

ABN:68 001 068 417

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 19, 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 2020 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 .....
Alexander Lithgow

Dated this TWENTY-SIXTH day of OCTOBER 2020

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 2020, 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 2020 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 2020 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.

Liability limited by a scheme approved under Professional Standards Legislation.

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

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Gabriel Faponle
Audit Partner
Registered Company Auditor No. 513644

Dated at Dubbo on the 26th day of October 2020