

**GWANDALAN BOWLING CLUB LIMITED**  
**A.B.N 37 001 069 914**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**30TH JUNE 2018**

**GWANDALAN BOWLING CLUB LIMITED**  
**A.B.N 37 001 069 914**

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**GWANDALAN BOWLING CLUB LIMITED**  
**A.B.N 37 001 069 914**

**DIRECTORS' REPORT**

Directors of Gwandalan Bowling Club present their report on the company for the financial year

**General Information**

**Directors**

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

Mr John Brown  
Mr David Lyons  
Mrs Delores Spek (Retired 24 Sept 2017)  
Mr Colin Wynn  
Mr Ian Wall  
Mr Kevin Storey (Retired 24 Sept 2017)  
Ms Noeleen Crawford (Retired 24 Sept 2017)  
Mr Robert Gooch  
Mrs Kay Saunderson (Appointed 24 Sept 2017)  
Mr Trevor Bales (Appointed 24 Sept 2017)

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 activities of the company during the financial year were the operation of bowling greens and the running of the Club for the benefit of the members and the community.

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

**Review of Operations**

The after-tax profit of the company for the financial year amounted to \$114,014, which is a 128% increase on the previous year's profit.

A review of the operations of the company during the financial year and the results of those operations are as follows:

Bar sales increased by \$87,876 this year compared to last year, although gross profit margin from bar trading decreased from 52% last year to 50% in 2018. Gross profit from bar trading was \$765,515 which was an increase of \$12,579 on the 2017 result of \$752,936. Overall Turnover from the Bar for 2018 was \$1,541,970 (2017: \$1,460,282).

Net turnover from Poker Machines was higher this year, \$1,920,577 compared to \$1,835,499 in 2017, which is an increase of \$85,073 (4.64%).

Overall revenue from men's bowling activities was \$85,270 which is a decrease of \$31,071 (26.71%) on the 2017 result of \$116,341.

**Significant Changes in the State of Affairs**

There have been no significant changes in the state of affairs of the Company during the financial year.

**GWANDALAN BOWLING CLUB LIMITED**  
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**DIRECTORS' REPORT**

**Objectives - Short and Long Term**

The club has established short and long term objectives as outlined in the club's business plan which is reviewed on an annual basis. These objectives are both financial and non financial and are aimed towards providing a comfortable and secure environment to its members that continues to meet their needs. These objectives are measured through both financial and non financial key performance indicators that have been determined relevant to the club industry. No information is included on the likely developments in the operations of the club and the expected results of those operations.

**Events After the Reporting Date**

No matters or circumstances have arisen since the end of the financial year that significantly affect 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.

**Environmental Regulations**

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

**Dividends**

The Corporations Law prohibits a Company Limited by Guarantee from paying dividends.

**Shares in Companies**

The company holds 100 ordinary shares issued at \$1 each in a wholly owned subsidiary. The subsidiary has not commenced any activities so is not consolidated in these reports.

**Indemnification and Insurance of Officers and Auditors**

The club has paid premiums to insure the directors under a Directors and Officers Insurance policy. The details of the indemnity insurance are as follows:

- The company has entered into an insurance policy to indemnify each director against any liability for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company.
- The policy prohibits the disclosure of the nature of the indemnification and the insurance cover, and the amount of the premium.

The company is incorporated under the Corporations Act 2011 and is a company limited by guarantee without any share capital. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$2.20 each towards meeting any outstanding obligations of the entity. At 30 June 2018, the number of members was 4,328 and the total amount that members of the company are liable to contribute if the company is wound up is \$9,521.60.

**GWANDALAN BOWLING CLUB LIMITED**  
**A.B.N 37 001 069 914**

**DIRECTORS' REPORT**

**Information on Directors**

**Mr Colin Wynn**

Qualifications - Business Owner  
Responsibilities - Chairman

**Mr Ian Wall**

Qualifications - Retired Head Clerk  
Responsibilities - Director

**Mr John Brown**

Qualifications - Small Business Owner  
Responsibilities - Vice Chairman

**Mr David Lyons**

Qualifications - Retired Business Owner  
Responsibilities - Director

**Mrs Delores Spek**

Qualifications - Retired Hospital Food Services  
Responsibilities - Director  
Retired - 24 September 2017

**Mr Kevin Storey**

Qualifications - Retired Electrician  
Responsibilities - Director  
Retired - 24 September 2017

**Ms Noleen Crawford**

Qualifications - Retired Nurse  
Responsibilities - Director  
Retired - 24 September 2017

**Mr Robert Gooch**

Qualifications - Retired Tradesperson  
Responsibilities - Director

**Mrs Kay Saunderson**

Appointed - 24 September 2017  
Qualifications - Licenced Real Estate Agent & Business Owner  
Responsibilities - Director

**Mr Trevor Bales**

Appointed - 24 September 2017  
Qualifications - Retired Operations & Logistics Manager  
Responsibilities - Director

**GWANDALAN BOWLING CLUB LIMITED**  
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**DIRECTORS' REPORT**

**Meetings of Directors**

During the financial year, 12 meetings of Directors (including committees of directors) were held as well and no special meetings.

Attendances by each director during the year were as follows:

	Directors Meetings		Special Meetings	
	Eligible to Attend	Number Attended	Eligible to Attend	Number Attended
Colin Wynn	12	11	-	-
Ian Wall	12	11	-	-
John Brown	12	9	-	-
Robert Gooch	12	8	-	-
David Lyons	12	10	-	-
Noeleen Crawford	3	3	-	-
Delores Spek	3	3	-	-
Kevin Storey	3	2	-	-
Kay Saunderson	9	9	-	-
Trevor Bales	9	9	-	-

**Auditors' Independence Declaration**

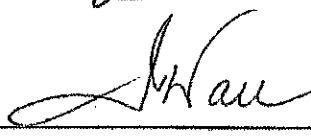
The lead auditors' independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30th June 2018 has been received and is set out on page 5.

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

Director:

  
Mr Colin Wynn

Director:

  
Mr Ian Wall

Dated this

17<sup>th</sup> day of September, 2018

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

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2018 there have been no contraventions of:

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

**Name of Firm:**      Bentleys Newcastle Assurance

**Name of Director:**



James Barlas

**Address:**              Level 1, 241 Denison Street, Broadmeadow NSW 2292

**Dated this** 18th **day of September, 2018**

**GWANDALAN BOWLING CLUB LIMITED**  
**A.B.N 37 001 069 914**

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

	Note	2018 \$	2017 \$
Revenue	2	3,996,427	3,851,170
Other income	2	19,457	3,636
Changes in inventories of finished goods and work in progress		(6,543)	6,082
Cost of goods sold		(770,921)	(709,251)
Accountancy expenses		(20,004)	(21,004)
Advertising expenses		(10,841)	(4,772)
Auditors' remuneration	4	(14,100)	(14,100)
Depreciation and amortisation expenses		(309,474)	(328,378)
Directors' fees		(22,719)	(23,099)
Employee benefits expenses		(1,197,832)	(1,134,577)
Freight and cartage		(878)	(796)
Other expenses		(1,548,559)	(1,575,006)
<b>Profit for the year</b>	<b>3</b>	<b>114,014</b>	<b>49,905</b>
<b>Total comprehensive income for the year</b>		<b>114,014</b>	<b>49,905</b>

The accompanying notes form part of these financial statements.



**GWANDALAN BOWLING CLUB LIMITED**  
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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	659,245	615,254
Trade and other receivables	6	16,745	10,928
Financial assets	7	966,521	947,463
Inventories	8	47,041	53,584
Other current assets	9	80,998	77,623
<b>TOTAL CURRENT ASSETS</b>		<u>1,770,551</u>	<u>1,704,852</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	4,879,149	4,901,208
Intangible assets	11	904	3,525
Other non-current assets	9	117,998	63,985
<b>TOTAL NON-CURRENT ASSETS</b>		<u>4,998,051</u>	<u>4,968,718</u>
<b>TOTAL ASSETS</b>		<u>6,768,602</u>	<u>6,673,570</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	12	220,845	248,166
Borrowings	13	31,350	12,850
Provisions	14	170,381	139,028
Other current liabilities	15	53,068	45,985
<b>TOTAL CURRENT LIABILITIES</b>		<u>475,644</u>	<u>446,029</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	14	7,992	56,589
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>7,992</u>	<u>56,589</u>
<b>TOTAL LIABILITIES</b>		<u>483,636</u>	<u>502,618</u>
<b>NET ASSETS</b>		<u>6,284,966</u>	<u>6,170,952</u>
<b>EQUITY</b>			
Retained earnings	16	6,284,966	6,170,952
<b>TOTAL EQUITY</b>		<u>6,284,966</u>	<u>6,170,952</u>

The accompanying notes form part of these financial statements.

**GWANDALAN BOWLING CLUB LIMITED**  
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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	Retained earnings \$	Total \$
		<u>\$</u>	<u>\$</u>
<b>Balance at 1 July 2016</b>		6,121,047	5,935,521
Profit attributable to equity shareholders		<u>49,905</u>	<u>185,526</u>
<b>Balance at 30 June 2017</b>		<u>6,170,952</u>	<u>6,121,047</u>
Profit attributable to equity shareholders		<u>114,014</u>	<u>49,905</u>
<b>Balance at 30 June 2018</b>		<u><u>6,284,966</u></u>	<u><u>6,170,952</u></u>

The accompanying notes form part of these financial statements.

**GWANDALAN BOWLING CLUB LIMITED**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

		2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		4,657,875	4,489,585
Payments to suppliers and employees		(4,121,081)	(3,897,195)
Interest received		20,762	26,432
GST paid during the year		(193,641)	(188,880)
<b>Net cash provided by operating activities</b>	<b>21</b>	<u>363,915</u>	<u>429,942</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		28,320	46,094
Payments for property, plant and equipment		(293,674)	(380,660)
Payments for investments		(19,059)	(20,821)
Payments for intangibles			(1,251)
Payments for other current assets		(54,013)	(36,807)
<b>Net cash used in investing activities</b>		<u>(338,426)</u>	<u>(393,446)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Funds from borrowings		31,350	-
Repayment of borrowings		(12,850)	(61,833)
<b>Net cash used in financing activities</b>		<u>18,500</u>	<u>(61,833)</u>
Net increase (decrease) in cash held		43,989	(25,337)
Cash at beginning of financial year		615,256	640,593
<b>Cash at end of financial year</b>	<b>5</b>	<u>659,245</u>	<u>615,256</u>

The accompanying notes form part of these financial statements.

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

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The financial statements and notes represent those of Gwandalan Bowling Club Limited as an individual entity. Gwandalan Bowling Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The financial statements were authorised for issue on      September 2018 by the directors of the company.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation**

These general purpose financial statements have been prepared in accordance with *Corporations Act 2001*, Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events, and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts in the financial statements have been rounded to the nearest dollar unless stated otherwise.

**Accounting Policies**

**a.     Income Tax Exemption**

The board of directors is of the opinion that the Company's exemption from income tax under section 50-45 of the Income Tax Assessment Act 1997 is still valid and the company has no liability for income tax.

**b.     Property, Plant and Equipment**

Classes of property, plant and equipment are measured using the cost model.

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

**GWANDALAN BOWLING CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Land and buildings**

Land and buildings are measured using the cost model.

**Plant and equipment**

Plant and equipment are measured using the cost model.

**Depreciation**

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight line method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

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

<b>Fixed Asset Class</b>	<b>Depreciation Rate</b>
Buildings and Car Park	0.52 - 20%
Greens and Wharf	0.84 - 20%
Plant and Equipment	0 - 100%
Poker Machines	12%

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.

The depreciation rate for Poker Machines has been reduced from 15% to 12% commencing 1 July 2017. This is to more accurately reflect the effective life of the machines. This change has reduced the depreciation expense by \$29,139 for the year.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

**c. Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) 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 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 that period.

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

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Leased assets are depreciated over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. The lease is not recognised in the statement of financial position.

Lease incentives under operating leases are recognised as a liability and amortised over the life of the lease term.

**d. Financial Instruments**

Financial instruments are recognised initially using trade date accounting, i.e. on the date that 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).

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The company's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in profit or loss. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision.

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

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

In some circumstances, the company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

**Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

The company did not hold any Available-for-sale financial assets in the current or comparative financial year.

**Financial Assets**

Financial assets are initially recognised on cost basis, including acquisition charges associated with the financial asset. The carrying amounts of financial assets are reviewed annually by the directors. The recoverable amounts are assessed from the quoted market value for shares in listed companies or the underlying net assets for other non listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts, unless otherwise stated.

**Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the average cost method.

**e. Impairment of Assets**

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

The accompanying notes form part of these financial statements.

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

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that Standard.

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

**f. Intangibles**

Other intangibles include the company website and are recorded at cost less amortisation. The amortisation rate used is 40% p.a.

**g. Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119: *Employee Benefits*.

**h. Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.



**GWANDALAN BOWLING CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**i. 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. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

**h. 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 entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Bar revenue is recognised upon the delivery of the product to the customer.

Commissions are recognised on an accruals basis.

Gaming revenue is recognised net of payouts.

Interest revenue is recognised on a cash basis when received.

All other revenue is recognised on a cash basis. All revenue is stated net of the amount of goods and services tax (GST).

**i. Trade and Other Receivables**

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income. Refer to note 1(e) for further discussion on the determination of impairment losses.

**j. Trade and Other Payables**

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

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

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**k. Goods and Services Tax (GST)**

Revenues, 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 payables 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 components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

**l. Superannuation**

Contributions are made by the entity to an employee superannuation fund and are charged as expensed when incurred. The entity has no legal obligation to provide benefits to employees on retirement.

**m. Comparative Amounts**

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

**n. Critical Accounting Estimates and Judgments**

The directors make estimates and judgments 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 - Impairment**

The Company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations performed in assessing recoverable amounts incorporated a

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

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

number of key estimates. No impairment has been recognised in respect of the tangible and intangible assets held by the company.

**Key estimates - Provisions**

The entity calculates the carrying amount of provisions under AASB 137 based on a variety of available information. The estimation of the provision is based on the net present value and the probability of the employee completing the required number of years to become entitled to the entitlement.

**Key judgements - Employee Benefits**

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the company expects that all its employees would use all their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the directors consider that the obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the undiscounted amounts expected to be paid to employees when the obligations are settled.

**o. New Accounting Standards for Application in Future Periods**

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the company, together with an assessment of the potential impact of such pronouncements on the company when adopted in future periods, are discussed below:

- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;

**GWANDALAN BOWLING CLUB LIMITED**  
**A.B.N 37 001 069 914**

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

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Group has established a AASB 16 project team and is in the process of completing its impact assessment of AASB 16. Based on a preliminary assessment performed over each line of business and product type, the effect of AASB 16 is not expected to have a material effect on the Group. It is impracticable at this stage to provide a reasonable estimate of such impact.

**GWANDALAN BOWLING CLUB LIMITED**  
**A.B.N 37 001 069 914**

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

	Note	2018 \$	2017 \$
<b>NOTE 2: REVENUE AND OTHER INCOME</b>			
<b>Revenue</b>			
Sales revenue:			
Sale of goods		3,739,058	3,615,386
Other revenue:			
Interest received		22,725	22,931
Other revenue		234,643	212,853
		<u>257,368</u>	<u>235,784</u>
<b>Total revenue</b>		<u><u>3,996,427</u></u>	<u><u>3,851,170</u></u>
<b>Other income</b>			
Profit on sale of non-current assets		19,457	16,236
Loss on sale of non-current assets		-	(12,600)
<b>Total other income</b>		<u>19,457</u>	<u>3,636</u>
<b>Interest revenue from:</b>			
Cash at bank		3,667	2,110
Held-to-maturity investments		19,058	20,821
<b>Total interest revenue</b>		<u>22,725</u>	<u>22,931</u>
<b>Other revenue from:</b>			
Donations received		5,019	12,832
Cash to card		31,712	33,551
Members' subscriptions		30,494	26,035
Sundry income		11,289	5,384
Commission		155,895	134,848
Overs /(unders)		234	203
<b>Total other revenue</b>		<u>234,643</u>	<u>212,853</u>

**GWANDALAN BOWLING CLUB LIMITED**  
**A.B.N 37 001 069 914**

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

	Note	2018 \$	2017 \$
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**NOTE 3: PROFIT FOR THE YEAR**

Profit before income tax from continuing operations includes the following specific expenses:

**Expenses**

Cost of sales	777,463	703,169
Bands and artists	74,094	56,311
Depreciation of property, plant and equipment	224,373	248,502

**NOTE 4: AUDITORS' REMUNERATION**

Remuneration of the auditor of the company is as follows:

Auditing or reviewing the financial statements	14,100	14,100
	<u>14,100</u>	<u>14,100</u>

**NOTE 5: CASH AND CASH EQUIVALENTS**

Cash on hand	139,060	146,331
Cash at bank	520,185	468,925
	<u>659,245</u>	<u>615,256</u>

**Reconciliation of cash**

Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	659,245	615,256
	<u>659,245</u>	<u>615,256</u>

**NOTE 6: TRADE AND OTHER RECEIVABLES**

**Current**

Other debtors	16,745	10,928
	<u>16,745</u>	<u>10,928</u>

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

**GWANDALAN BOWLING CLUB LIMITED**  
**A.B.N 37 001 069 914**

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

	2018 \$	2017 \$
<b>NOTE 7: FINANCIAL ASSETS</b>		
<b>Current</b>		
Held-to-maturity investments	<u>966,521</u>	<u>947,463</u>
<b>NOTE 8: INVENTORIES</b>		
<b>Current</b>		
At cost:		
Main bar	36,146	41,678
Men's bowling club	5,506	7,504
Greens	<u>5,390</u>	<u>4,400</u>
	<u>47,041</u>	<u>53,582</u>
<b>NOTE 9: OTHER NON-FINANCIAL ASSETS</b>		
<b>Current</b>		
Deposits	5,193	5,193
Prepayments	<u>75,806</u>	<u>72,430</u>
	<u>80,998</u>	<u>77,623</u>
<b>Non-Current</b>		
Capital expenditure in progress	<u>117,998</u>	<u>63,985</u>

**GWANDALAN BOWLING CLUB LIMITED**  
**A.B.N 37 001 069 914**

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

	2018 \$	2017 \$
<b>NOTE 10: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>LAND AND BUILDINGS</b>		
<b>Freehold land at:</b>		
Lots 1 (A, B & C) Gamban Rd & 2-8 Aldinga Rd -		
At cost	352,185	352,185
	<u>352,185</u>	<u>352,185</u>
<b>Buildings at:</b>		
At cost	643,928	643,928
Less accumulated depreciation	(352,157)	(344,179)
	<u>291,771</u>	<u>299,749</u>
<b>Building Improvements at:</b>		
At Cost	4,162,001	4,056,830
Less accumulated depreciation	(1,071,049)	(995,348)
	<u>3,090,952</u>	<u>3,061,482</u>
<b>Total Land and Buildings</b>	<u>3,734,908</u>	<u>3,713,416</u>
<b>PLANT AND EQUIPMENT</b>		
Plant and Equipment - at cost	2,746,239	2,673,526
Accumulated depreciation	(1,776,533)	(1,672,871)
	<u>969,706</u>	<u>1,000,655</u>
Car Park - at cost	96,556	96,556
Accumulated depreciation	(86,250)	(84,267)
	<u>10,306</u>	<u>12,289</u>
Greens & Wharf - at cost	265,248	266,230
Accumulated depreciation	(116,279)	(113,440)
	<u>148,969</u>	<u>152,790</u>
Motor Vehicles - at cost	93,683	93,683
Accumulated depreciation	(78,423)	(71,625)
	<u>15,260</u>	<u>22,058</u>
<b>Total Plant and Equipment</b>	<u>1,144,241</u>	<u>1,187,792</u>
<b>Total Property, Plant and Equipment</b>	<u><u>4,879,149</u></u>	<u><u>4,901,208</u></u>



**GWANDALAN BOWLING CLUB LIMITED**  
**A.B.N 37 001 069 914**

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

	2018 \$	2017 \$			
<b>a Movements in carrying amounts</b>					
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	Greens, Wharf & Carpark	Plant and Equipment	Motor Vehicle	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2016	3,746,102	162,222	950,851	28,856	4,888,031
Additions	45,019	9,023	325,984		380,026
Disposals			(41,822)		(41,822)
Depreciation expense	(77,705)	(6,166)	(234,358)	(6,798)	(325,027)
Balance at 30 June 2017	3,713,416	165,079	1,000,655	22,058	4,901,208
Additions	105,171	632	187,872		293,675
Disposals			(28,320)		(28,320)
Profit or loss on disposal			19,457		19,457
Depreciation expense	(83,679)	(6,436)	(209,958)	(6,798)	(306,871)
Carrying amount at 30 June 2018	3,734,908	159,275	969,706	15,260	4,879,149

**NOTE 11: INTANGIBLE ASSETS**

Website - at cost	8,549	8,549
Less Accumulated Amortisation	(7,645)	(5,024)
Net carrying amount	904	3,525
<b>Total intangible assets</b>	<b>904</b>	<b>3,525</b>

**NOTE 12: TRADE AND OTHER PAYABLES**

<b>Current</b>		
Trade Creditors	79,614	124,261
Other Creditors & Accrued Liabilities	141,231	123,905
	<b>220,845</b>	<b>248,166</b>

The accompanying notes form part of these financial statements.

**GWANDALAN BOWLING CLUB LIMITED**  
**A.B.N 37 001 069 914**

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

	2018 \$	2017 \$
All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value		
<b>NOTE 13: BORROWINGS</b>		
<b>Current</b>		
Lease Liability - Aristocrat	-	12,850
Finance Liability - IGT Finance	31,350	-
Total current borrowings	<u>31,350</u>	<u>12,850</u>
<b>Total borrowings</b>	<u>31,350</u>	<u>12,850</u>
<b>NOTE 14: PROVISIONS</b>		
<b>Current</b>		
Provision for annual leave	74,167	82,579
Provision for long service leave	92,524	52,403
Provision for sick leave	3,690	4,046
	<u>170,381</u>	<u>139,028</u>
<b>Non-Current</b>		
Provision for long service leave	7,992	56,589
<b>Total provisions</b>	<u>178,373</u>	<u>195,617</u>
<b>NOTE 15: OTHER LIABILITIES</b>		
<b>Current</b>		
Input tax credits	(106,863)	(121,944)
GST collected	159,932	167,929
	<u>53,069</u>	<u>45,985</u>
<b>NOTE 16: RETAINED EARNINGS</b>		
Retained earnings at the beginning of the financial year	6,170,952	6,121,047
Net profit attributable to members of the company	<u>114,014</u>	<u>49,905</u>
Retained earnings at the end of the financial year	<u>6,284,966</u>	<u>6,170,952</u>

The accompanying notes form part of these financial statements.

**GWANDALAN BOWLING CLUB LIMITED**  
**A.B.N 37 001 069 914**

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

	2018 \$	2017 \$
<b>NOTE 17: CAPITAL AND LEASING COMMITMENTS</b>		
<b>Finance Lease Commitments</b>		
Payable - minimum lease payments		
Not later than 12 months	31,350	12,850
Minimum lease payments	31,350	12,850
Present value of minimum lease payments	<u>31,350</u>	<u>12,850</u>

The Club has one current rental agreement for poker machines which are non-cancellable agreements contracted for a three year term. No capital commitments exist in regards to the rental commitments at year end. The rental agreement is secured by the underlying poker machine.

**Operating Lease Commitments**

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable - minimum lease payments		
Not later than 12 months	38,906	38,119
Between 12 months and five years	155,626	152,475
Later than five years	194,532	228,712
	<u>389,064</u>	<u>419,306</u>

The property lease is a non-cancellable, 40 year lease expiring 22 June, 2029. Rent is payable a year in advance, payable June each year. The above commitment has been calculated using the rent payable for the year ended 23 June 2018. A market rent review is performed every five years. A review was conducted in 2014 so the next review is not due until 2019. An annual rent review based on CPI occurs every other year. No adjustment has been made for CPI increases.

**NOTE 18: CONTINGENT LIABILITIES**

Estimates of the potential financial effect of contingent liabilities that may become payable:

**Contingent Liabilities**

Registered Mortgages: The Commonwealth Bank of Australia holds a registered mortgage over the following items: - the property, Lots 1a, 1b, 1c Gamban Road Gwandalan - the property Lot 42 Gamban Road Gwandalan - the assets of Gwandalan Bowling Club Limited.

**GWANDALAN BOWLING CLUB LIMITED**  
**A.B.N 37 001 069 914**

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

	2018 \$	2017 \$
<hr/>		
<b>NOTE 19: RELATED PARTY TRANSACTIONS</b>		
Transactions between related parties are on normal commercial terms and conditions. These terms and conditions are no more favourable than those available to other parties unless otherwise stated.		
Transactions with related parties:		
Colin Woods, CEO, is a shareholder of Helloworld Travel Lisarow. The club has made purchases from Helloworld Travel Lisarow during the year ended 30 June 2018 on normal commercial terms and conditions. There were no amounts outstanding at 30 June 2018.		
Helloworld Travel Lisarow	<u>1,060</u>	<u>8,583</u>

**NOTE 20: CORE AND NON-CORE PROPERTY**

In accordance with provisions under section 41J(2) of the Registered Clubs Act, the Directors have classified the following assets as core property of the Company:

- The Land at Lot 1 a, b and c Gamban Road
- The Club House
- The Car Park
- The Wharf

A part of the Club House is situated on land leased from the Central Coast Council.

The following non-core property has been identified by the Company:

- The Land at Lot 42 Gamban Road
- The Land at Lots 2-8 Aldinga Road

**GWANDALAN BOWLING CLUB LIMITED**  
**A.B.N 37 001 069 914**

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

	2018 \$	2017 \$
<b>NOTE 21: CASH FLOW INFORMATION</b>		
<b>Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Profit after income tax	114,014	49,905
<b>Non-cash flows in profit</b>		
Profit on sale of non-current assets	(19,457)	(16,236)
Loss on sale of non-current assets	-	12,600
Amortisation	78,303	73,077
Depreciation	231,171	255,301
<b>Changes in assets and liabilities, net of the effects of purchase and disposals of</b>		
(Increase) Decrease in current inventories	6,543	(6,081)
(Increase) Decrease in current receivables	(5,818)	12,072
(Increase) Decrease in prepayments	(3,376)	(3,744)
Increase (Decrease) in trade creditors	(27,322)	61,173
Increase (Decrease) in GST paid	7,083	3,363
Increase (Decrease) in provisions	(17,226)	(11,486)
	<u>363,915</u>	<u>429,942</u>

**GWANDALAN BOWLING CLUB LIMITED**  
**A.B.N 37 001 069 914**

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

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**NOTE 22: FINANCIAL RISK MANAGEMENT**

The company is exposed to a variety of financial risks through its use of financial

This note discloses the company's objectives, policies and processes for managing and measuring these risks.

The company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The company does not speculate in financial assets.

The company does not have any derivative instruments at 30 June 2018.

**Objectives, Policies and Processes**

Risk management is carried out by the company's risk management committee under the delegated power from the Board of Directors. The Finance Manager has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the company, these policies and procedures are then approved by the risk management committee and tabled at the board meeting following their approval.

Reports are presented at each Board meeting regarding the implementation of these policies and any risk exposure which the Risk Management Committee believes the Board should be aware of.

Specific information regarding the mitigation of each financial risk to which company is exposed is provided below.

The company does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

**NOTE 23: COMPANY DETAILS**

Gwandalan Bowling Club Limited

The principal place of business is:

68 Gamban Road, Gwandalan NSW 2259

**GWANDALAN BOWLING CLUB LIMITED**  
**A.B.N 37 001 069 914**

**DIRECTORS' DECLARATION**

The directors of the company declare that:

- 1 The financial statements and notes, as set out on pages 1 to 45, for the year ended 30 June 2018 are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
  - (b) give a true and fair view of the financial position and performance of the
- 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:

  
Mr Colin Wynn

Director:

  
Mr Ian Wall

Dated this 17<sup>th</sup> day of September, 2018

**Bentleys Newcastle Assurance**

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF GWANDALAN BOWLING CLUB LIMITED  
A.B.N. 37 001 069 914**

**Report on the Audit of the Financial Report****Opinion**

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

In our opinion:

the accompanying financial report of Gwandalan Bowling Club Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (ii) that the financial records kept by the company are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards.

**Basis for Opinion**

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

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



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF GWANDALAN BOWLING CLUB LIMITED  
A.B.N. 37 001 069 914**

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

**Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Report**

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

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

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

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

As part of an audit in accordance with the Australian Auditing Standards, 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, misrepresentations, or the override of internal control.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF GWANDALAN BOWLING CLUB LIMITED  
A.B.N. 37 001 069 914**

- 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

**Name of Director:**

  
James Barlas

**Name of Firm:**

Bentleys Newcastle Assurance  
Certified Practising Accountants

**Address:**

Level 1, 241 Denison Street, Broadmeadow NSW 2292

Dated this 18<sup>th</sup> day of September 2018