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

FINANCIAL REPORT
FOR THE YEAR ENDED
30TH JUNE 2020

GWANDALAN BOWLING CLUB LIMITED
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GWANDALAN BOWLING CLUB LIMITED
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DIRECTORS' REPORT

Directors present their report on Gwandalan Bowling Club for the financial year ended 30 June 2020.

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 (Resigned 29 September 2019)
Mr Colin Wynn (Resigned 29 September 2019)
Mr Ian Wall
Mr Robert Gooch
Ms Kay Saunderson
Mr Trevor Bales
Mr Colin Beggs (Elected 29 September 2019)
Mr Rick Smith (Elected 29 September 2019)

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 loss of the company for the financial year amounted to $481,396.

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

Bar sales decreased by $207,864 this year compared to last year with a gross profit margin from bar trading increase from 54% last year to 56% in 2020. Gross profit from bar trading was $789,383 which was a decrease of $82,216 on the 2019 result of $871,599. Overall Turnover from the Bar for 2020 was $1,418,808 (2019: $1,626,672).

Net turnover from Poker Machines is lower this year, $1,308,742 compared to $1,774,438 in 2019, which is an decrease of $465,696.

Overall revenue from Greens Trading was $42,488 compared to the result in 2019 of $85,725.

As a result of the spread of the COVID 19 pandemic the club was required to close its doors during the Federal Government's announced lock down of all registered clubs. Although the club has since re-opened, the shutdown period combined with a staged re-opening including reduced capacity whilst appropriate COVID 19 safe measures were implemented has had a large effect on the operating results for the year ended 30 June 2020. This was the main contributor to the club incurring a loss.

DIRECTORS' REPORT

In response, during the shutdown period and through to today management have been actively negotiating with contractors and suppliers where possible to reduce operating costs whilst ensuring COVID safe requirements are implemented and upheld

Despite the losses incurred as a result of the COVID 19 pandemic the club remains in a strong financial position at the date of this report with adequate cash reserves.

New Accounting Standards Implemented

The Company has implemented one new Accounting Standard that is applicable for the current reporting period.

AASB 16 : Leases has been applied retrospectively, with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of retained earnings at 1 July 2019. Therefore, the comparative information has not been restated and continues to be reported under AASB 117 : *Leases*.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year other than the impact of COVID 19 as mentioned above.

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 Subsequent to the End of the Reporting Period

In the months post the reporting period the club has been able to fully implement restructured operating times and associated cost management where available. This has allowed the club to operate in a COVID safe compliant manner whilst reducing any losses going forward under the restricted trading envirnement at the time of this report.

No other 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.

Likely Developments and Expected Results of Operations

Other than the impact of the COVID 19 pandemic mentioned above no other 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. If the Government were to further restrict trade or again be required to enforce a shut down this would have a negative effect on likley future results.

DIRECTORS' REPORT

Dividends

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

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.

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 indeminfy 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 2001 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 2020, the number of members was 4,396 and the total amount that members of the company are liable to contribute if the company is wound up is $9,671.20

GWANDALAN BOWLING CLUB LIMITED
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DIRECTORS' REPORT

Information on Directors

Mr Colin Wynn
Qualifications - Business Owner
Responsibilities - Chairman (Resigned 29 September 2019)

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

Mr Robert Gooch
Qualifications - Retired Tradesperson
Responsibilities - Director

Mrs Kay Saunderson
Qualifications - Licenced Real Estate Agent & Business Owner
Responsibilities - Director

Mr Trevor Bales
Qualifications - Retired Operations & Logistics Manager
Responsibilities - Chairman (Elected 29 September 2019)

Mr Colin Beggs
Qualifications - Retired Contract Manager
Responsibilities - Director

Mr Rick Smith
Qualifications - Self Employed Mechanic
Responsibilities - Director

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DIRECTORS' REPORT

Directors' Meetings

During the financial year, 12 meetings of Directors (including committees of directors) were held as well as 5 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	3	3	1	1
Ian Wall	12	12	5	5
John Brown	12	12	5	3
Robert Gooch	12	8	5	5
David Lyons	3	3	1	1
Kay Saunderson	12	11	5	5
Trevor Bales	12	12	5	5
Colin Beggs	9	8	4	2
Rick Smith	9	9	4	4

Auditors' Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the Corporations Act 2001 is set out on page 7.

No officer of the Company is or has been a partner/director of any auditor of the Company.

ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191

The company is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars where stated.

This Directors'report is signed in accordance with a resolution of the Board of Directors:

Director: T Bales

Mr Trevor Bales

Director: I Wall

Mr Ian Wall

Dated this 16 **day of September, 2020**

Bentleys
THINKING AHEAD

Bentleys Newcastle Pty Ltd
Level 1, 241 Denison Street
Broadmeadow NSW 2292
Australia
PO Box 411
Hamilton NSW 2303
Australia
ABN 16 116 184 617
T +61 2 4940 6100
F +61 2 4961 6810
bentleys.com.au

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

In accordance with section 307C of the Corporations Act 2001 , I am pleased to provide the following declaration of independence to the directors of Gwandalan Bowling Club Limited. As the lead audit partner for the audit of the financial report of Gwandalan Bowling Club Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) The auditor independence requirements of 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 Pty Limited

Name of Director: Stephen Chapman

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

Dated this 17th **day of September, 2020**

GWANDALAN BOWLING CLUB LIMITED
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Revenue	2	2,904,289	3,634,877
Other income	2	340,103	311,868
Cost of goods sold		(628,437)	(752,445)
Auditors' remuneration	4	(14,100)	(14,100)
Advisor Fees		(11,000)	(12,667)
Advertising and marketing expenses		(1,934)	(9,913)
Depreciation and amortisation expenses		(372,187)	(322,417)
Directors' fees		(21,327)	(18,158)
Employee benefits expenses		(1,210,219)	(1,223,020)
Freight and cartage		(517)	(1,298)
Other admin and overhead expenses		(1,466,068)	(1,503,562)
Profit for the year	3	(481,396)	89,165
Total comprehensive income for the year		(481,396)	89,165

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 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	417,107	838,305
Trade and other receivables	6	7,077	18,916
Financial assets	7	1,011,015	991,597
Inventories	8	54,445	56,352
Other current assets	9	24,999	57,279
TOTAL CURRENT ASSETS		1,514,643	1,962,449
NON-CURRENT ASSETS			
Property, plant and equipment	10	4,820,587	4,756,684
Other non-current assets	9	117,832	117,998
Right of use assets	14	247,323	-
TOTAL NON-CURRENT ASSETS		5,185,742	4,874,682
TOTAL ASSETS		6,700,385	6,837,131
LIABILITIES			
CURRENT LIABILITIES			
Lease Liability	18	26,445	-
Trade and Other Payables	12	187,985	183,307
Borrowings	13	108,488	28,908
Provisions	15	147,651	154,559
Other current liabilities	16	9,026	52,035
TOTAL CURRENT LIABILITIES		479,595	418,809
NON-CURRENT LIABILITIES			
Lease Liability	18	226,622	-
Borrowings	13	97,055	40,952
Provisions	15	4,377	3,238
TOTAL NON-CURRENT LIABILITIES		328,054	44,190
TOTAL LIABILITIES		807,650	463,000
NET ASSETS		5,892,735	6,374,131
EQUITY			
Retained earnings	17	5,892,735	6,374,131
TOTAL EQUITY		5,892,735	6,374,131

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 2020

		2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3,668,999	4,710,196
Receipts from Government Grants		112,000	-
Payments to suppliers and employees		(3,723,388)	(4,147,972)
Interest Received		15,270	26,769
Interest Paid		(14,079)	-
Input Tax Credits paid during the year		(176,677)	(211,704)
Net cash provided by operating activities	**23**	(117,875)	377,289
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		(19,418)	(25,076)
Proceeds from Disposal of property, plant and		21,000	16,806
Purchase of property, plant and equipment		(693,654)	(158,609)
Net cash used in investing activities		(692,072)	(166,879)
CASH FLOWS FROM FINANCING ACTIVITIES			
Funds from borrowings		388,750	-
Repayment of borrowings		-	(31,350)
Net cash used in financing activities		388,750	(31,350)
Net increase (decrease) in cash held		(421,198)	179,060
Cash and cash equivilants at beginning of year		838,305	659,245
Cash and cash equivilants at end of year	**5**	417,107	838,305

The accompanying notes form part of these financial statements.

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 17 September 2020 by the directors of the Gwandalan Bowling Club Limited.

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 and Australian Accounting Interpretations of the Australian Accounting Standards Board. 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 Australain 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 presented 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**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

c. **Leases**

At inception of a contract, the company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.
Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated
Lease payments included in the measurement of the lease liability are as follows:

– fixed lease payments less any lease incentives;
– variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
– the amount expected to be payable by the lessee under residual value guarantees;
– the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
– lease payments under extension options if lessee is reasonably certain to exercise the options; and
– payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

d. **Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Financial Liabilities

Financial Instruments are subsequently measured at:

- amortised cost;
- fair value through profit or loss.

A financial liability is measured at fair value through profit and/or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 : Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationships).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial Assets

Financial assets are subsequently measured at:
- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:
- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:
- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company initially designates a financial instrument as measured at fair value through profit or loss if:
– it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
– it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
– it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.
The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial Liability

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.
The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial Asset

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:
– the right to receive cash flows from the asset has expired or been transferred;
– all risk and rewards of ownership of the asset have been substantially transferred; and
– the Company no longer controls the asset (ie the Company has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 sources of information 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 of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over it's recoverable amount is recognised immediately in profit or loss unless the asset is 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.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

f. Intangibles

Software and website development costs are capitalised only when the Company can demonstrate all of the criteria outlined below. Software and developed websites are considered as having finite useful lives and are amortised on a systematic basis over their useful lives so as to match the economic benefits received to the periods in which the benefits are received. Amortisation begins when the software or websites become operational.

An intangible asset arising from development (or from the development phase of an

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amortisation rates used for each class of intangible asset with a finite useful life are:

Intangible Asset	Amortisation Rate
Sofware and development	40%

g. **Employee Benefits**

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations due to changes in assumptions for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense in the periods in which the changes occur.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

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.

i. **Cash and Cash Equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits held at call with banks, other highly liquid short-term investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as borrowings in current liabilities on the statement of financial position.

h. **Revenue Recognition 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 an accruals 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 and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

j. **Trade and Other Payables**

Trade and other payables are initially measured at fair value and subsequently measured at cost using the effective interest method.

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

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

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

Receivables and payables are stated inclusive of 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 are presented on a gross basis and the GST components of cash flows arising from financing and investing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

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**

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

Where the Company retrospectively applies an accounting policy, makes a retrospective restatement of items in the financial statements or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

n. **Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates

Impairment

The Company assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations, which incorporate various key assumptions.

No impairment has been recognised in respect of the tangibe and intangible assets at the end of the reporting period.

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 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 and Amended Accounting Policies Adopted by the Group**

Initial application of AASB 16

The Company has adopted AASB 16 : *Leases* retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 July 2019. In accordance with AASB 16, the comparatives for the 2019 reporting period have not been restated.

The Company has recognised a lease liability and right-of-use asset for all leases (with the exception for short term and low value leases) recognised as operating leases under AASB 117 : Leases where the Comapny is the lessee.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The lease liabilities are measured at the present value of the remaining lease payments. The Company's incremental borrowing rate as at 1 July 2019 was used to discount the lease payments.

The right of use assets for the leases are measured and recognised in the statement of financial position as at 1 July 2019 by taking into consideration the lease liability, prepaid and accrued lease payments previously recognised as at 1 July 2019 (that are related to the lease).

The following practical expedients have been used by the Association in applying AASB 16 for the first time:

- for a portfolio of leases that have reasonably similar characteristics, a single discount rate has been applied.
- leases that have remaining lease term of less than 12 months as at 1 July 2019 have been accounted for in the same was as short-term leases.
- the use of hindsight to determine lease terms on contracts that have options to extend or terminate
- applying AASB 16 to leases previously identified as leases under AASB 117: Leases and Interpretation 4: Determining whether an arrangement contains a lease without reassessing whether they are, or contain, a lease at the date of initial application.
- not applying AASB 16 to leases previously not identified as containing a lease under AASB 117 and Interpretation 4.

The following summary indicates the reclassification of Property Plant and Equipment to Right of Use asset on 1 July 2019 due to implementation of AASB 16:

Category	**Reclassification**	**Carrying amount**
	$	**$**
Reclassified from:		
Operating Lease	$278,238	$278,238
Reclassified to:		
Right of use asset	$278,238	$278,238

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2: REVENUE AND OTHER INCOME

	Note	2020 $	2019 $
Continued Operations			
Sales revenue:			
Sale of goods		2,904,289	3,634,877
Other revenue:			
Other Income		8,753	-
Interest received		15,270	26,926
Other revenue		316,080	284,942
		340,103	311,868
Total revenue		3,244,394	3,946,745
Other income			
Gain/(loss) on disposal of property, plant and equipment		8,753	-
Total other income		8,753	-
Other Sources of Revenue			
Cash at bank		384	7,868
Held-to-maturity investments		14,886	19,058
Total interest revenue		15,270	26,926
Other Income from:			
Donations received		3,350	20,581
Cash to card		54,742	45,215
Members' subscriptions		14,744	29,256
Sundry income		125,064	15,323
Commission		118,292	146,560
Overs /(unders)		(112)	428
Poker Machine Recoveries		-	27,580
Total other revenue		316,080	284,942

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 $	2019 $
NOTE 3: PROFIT/(LOSS) FOR THE YEAR		
Profit / (Loss) before income tax from continuing operations includes the following expenses:		
Expenses		
Cost of sales	628,437	752,445
Bands and artists	73,879	76,623
Depreciation of property, plant and equipment & Right-of -use	292,697	232,683
NOTE 4: AUDITORS' REMUNERATION		
Remuneration of the auditor of the company is as follows:		
Auditing or reviewing the financial statements	14,100	14,100
	14,100	14,100
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash on hand	100,847	159,012
Cash at bank	316,260	679,293
	417,107	838,305
Reconciliation of cash		
Cash and cash equivalents balance as shown in the statement of financial position can be reconciled to that shown in the statement of cash flows as follows:		
Cash and cash equivalents	417,107	838,305
	417,107	838,305
NOTE 6: TRADE AND OTHER RECEIVABLES		
Current		
Other Receivables	7,077	18,916
	7,077	18,916

	2020 $	2019 $
NOTE 7: FINANCIAL ASSETS		
Current		
Financial Assets held at amortisation cost		
Term Deposit	1,011,015	991,597
NOTE 8: INVENTORIES		
Current		
At cost:		
Main bar	39,932	42,828
Men's bowling club	8,375	8,375
Greens	6,138	5,149
	54,445	56,352
NOTE 9: OTHER NON-FINANCIAL ASSETS		
Current		
Deposits	5,193	5,193
Prepayments	19,807	52,087
	24,999	57,279
Non-Current		
Capital expenditure in progress	117,832	117,998

	2020 $	2019 $
NOTE 10: PROPERTY, PLANT AND EQUIPMENT		
LAND AND BUILDINGS		
Freehold land at:		
Lots 1 (A, B & C) Gamban Rd & 2-8 Aldinga Rd - At cost	352,185	352,185
	352,185	352,185
Buildings at:		
At cost	643,928	643,928
Accumulated depreciation	(368,113)	(360,135)
	275,815	283,793
Leasehold Improvements at:		
At Cost	4,201,302	4,184,733
Accumulated depreciation	(1,232,516)	(1,153,026)
	2,968,786	3,031,707
Total Land and Buildings	3,596,786	3,667,685
PLANT AND EQUIPMENT		
Plant and Equipment - at cost	3,097,645	2,830,765
Accumulated depreciation	(2,083,592)	(1,903,758)
	1,014,053	927,007
Car Park - at cost	171,556	96,556
Accumulated depreciation	(97,109)	(88,222)
	74,447	8,334
Greens - at cost	240,040	265,248
Accumulated depreciation	(106,992)	(120,725)
	133,048	144,523
Motor Vehicles - at cost	94,410	94,410
Accumulated depreciation	(92,158)	(85,276)
	2,252	9,134
Total Plant and Equipment	1,223,801	1,088,999
Total Property, Plant and Equipment	4,820,587	4,756,684

	2020 $	2019 $

a **Movements in carrying amounts**

	Land & Buildings $	Greens, Wharf & Carpark $	Plant and Equipment $	Motor Vehicle $	Total $
Balance at 1 July 2018	3,734,909	159,275	969,706	15,260	4,879,150
Additions	22,731	-	206,397	727	229,855
Disposals			(30,809)		(30,808)
Depreciation expense	(89,955)	(6,418)	(218,287)	(6,853)	(321,513)
Balance at 30 June 2019	3,667,685	152,857	927,007	9,134	4,756,684
Balance at the beginning of the reporting period	3,667,685	152,857	927,007	9,134	4,756,684
Additions	16,569	75,000	332,951		424,519
Disposals - at written-down value	0	(7,049)	(12,297)		(19,346)
Depreciation expense	(87,468)	(13,313)	(233,608)	(6,882)	(341,271)
Balance at the end of the reporting period	3,596,786	207,495	1,014,053	2,252	4,820,587

NOTE 11: INTANGIBLE ASSETS

	2020 $	2019 $
Website - at cost	8,549	8,549
Accumulated Amortisation	(8,549)	(8,549)
Net carrying amount	-	-
Total intangible assets	-	-

NOTE 12: TRADE AND OTHER PAYABLES

	2020 $	2019 $
Current		
Trade Payables	67,967	80,975
Sundry Payables & Accrued Liabilities	120,019	102,332
	187,985	183,307

NOTE 13: BORROWINGS

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value

a Financial Liabilities at amortised cost classified as trade and other payables

	2020 $	2019 $
Current		
Finance Liability - Aristocrat	108,488	28,908
Total current borrowings	108,488	28,908
Non-Current		
Finance Liability - Aristocrat	97,056	40,953
Total current borrowings	97,056	40,953
Total borrowings	205,544	69,861

NOTE 14: Right of use assets

The Company's lease portfolio includes land and buildings. These leases have an average of 40 years as their lease term.

Options to extend or terminate

The option to extend or terminate are contained in the property lease of the Company. These clauses provide the Company an opportunity to manage the lease in order to align with its strategies. All of the extension or termination options are only exercisable by the Company.

a AASB 16 related amounts recognised in the balance sheet

	2020 $	2019 $
Right of use		
Leased Land and Building	278,238	-
Accumulated Depreciation	(30,915)	-
Total Right of use asset	247,323	-
Movement in carrying amounts:		
Leased Land and Buildings:		-
Recognised on Initial application of AASB 16 (previously classified as operating leases under AASB 117)	278,238	-
Depreciating Expense	(30,915)	-
Net carrying amount	247,323	-

	2020 $	2019 $
b AASB 16 related amounts recognised in the statement of profit or loss		
Depreciation charge related to right-of-use asset	30,915	-
Interest expense on lease liability	14,079	-

NOTE 15: PROVISIONS

Analysis of Provisions

	Employee Benefits	*Total Provision*
Opening Balance at 1 July 2019	157,797	157,797
Amount accrued during the year	67,811	67,811
Amount provided during the year	(73,579)	(73,579)
Balance at 30 June 2020	152,029	152,029
Current		
Provision for annual leave	71,491	71,491
Provision for long service leave	73,890	73,890
Provision for sick leave	2,270	2,270
	147,651	147,651
Non-Current		
Provision for long service leave	4,377	4,377
Total provisions	152,029	152,029

Provision for employee benefits

Provision for employee benefits represents amounts accrued for personal leave, annual leave and long service leave.

The current portion for this provision includes the total amount accrued for personal leave, annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been discussed in Note 1(g) .

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 16: OTHER LIABILITIES

	2020 $	2019 $
Current		
Input tax credits	(45,747)	(129,990)
GST collected	35,277	182,025
ATO Tax Payable	19,496	-
	9,026	52,035

NOTE 17: RETAINED EARNINGS

	2020 $	2019 $
Retained earnings at the beginning of the financial year	6,374,131	6,284,966
Net profit attributable to members of the company	(481,396)	89,165
Retained earnings at the end of the financial year	5,892,735	6,374,131

NOTE 18: CAPITAL AND LEASING COMMITMENTS

Finance Lease Commitments

	2020 $	2019 $
Payable - minimum lease payments:		
Not later than 12 months	26,445	-
Between 12 months and five years	153,702	-
Later than five years	72,920	-
Total finance lease payables	253,067	-

Operating Lease Commitments

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

	2020 $	2019 $
Payable - minimum lease payments:		
Not later than 12 months	-	39,528
Between 12 months and five years	-	158,114
Later than five years	-	158,114
Total operating lease payables	-	355,756

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 2020. A market rent review is performed every five years. A review was conducted in 2019 so the next review is not due until 2024. An annual rent review based on CPI occurs every other year. No adjustment has been made for CPI increases.

	2020 $	2019 $

NOTE 19: CONTINGENT LIABILITIES

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

NOTE 20: RELATED PARTY TRANSACTIONS

The Company's Related parties are as follow:

Transactions between related parties are on normal commercial terms and conditions, no more favourable than those available to other parties (ie at arm's length) unless the terms and conditions disclosed below state otherwise.

The following transactions occurred 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 2019 on normal commercial terms and conditions. There were no amounts outstanding at 30 June 2020.

Helloworld Travel Lisarow	-	1,840

NOTE 21: 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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 $	2019 $

NOTE 22: EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any significant events since the end of the reporting period onther than the COVID 19 Pandemic as mentioned earlier.

NOTE 23: CASH FLOW INFORMATION

	2020 $	2019 $
Reconciliation of Cash Flow from Operating activities with Profit/(Loss) for the Year		
Net Profit	(471,918)	89,164
Non-cash items:		
Net (Profit)/Loss on disposal of property, plant & equipment	(8,753)	12,989
Amortisation	79,490	82,881
Depreciation	261,782	239,578
Right of use Asset	30,915	-
Changes in assets and liabilities		
(Increase) Decrease in current inventories	1,907	(9,311)
(Increase) Decrease in current receivables	7,134	(2,170)
(Increase) Decrease in prepayments	32,281	23,720
Increase (Decrease) in trade creditors	21,747	(37,535)
Increase (Decrease) in GST paid	(66,690)	(1,451)
Increase (Decrease) in provisions	(5,770)	(20,576)
Net Cash provided by operating activities	(117,875)	377,289

	2020 $	2019 $

NOTE 24: FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks; investments in term deposits and accounts payable.

The totals for each category of Financial instruments, measure in acordance with AASB 9: Financial Instruments as detailed in the accounting policies, are as follows:

Financial Assets

Financial Assets at amortised cost:

	2020 $	2019 $
Cash and cash equivilants	417,107	838,305
Trade and other receivables	13,624	18,916
Term Deposits	1,011,015	996,790
	1,441,746	1,854,011

Financial Liabilities

Financial Liabilities at amortised cost:

	2020 $	2019 $
Trade and other payables	185,556	183,307
License Liability	205,544	69,861
Lease Liability	253,067	-
	644,167	253,168

Financial Risk Management policies

The Board's overall risk management strategy seeks to assist the Company in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board on a regular basis. These include the credit risk policies and future cash flow requirements.

Senior executives meet on a regular basis to analyse financial risk exposure in the context of the most recent economic conditions and forecasts.

Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk, and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the Company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

Credit Risk

All cash and cash equivalents are held with large reputable financial institutions within Australia and therefore credit risk is considered minimal.

Cash and cash equivilants		
AA rated	417,107	838,305

Liquidity Risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company is not currently exposed to any significant liquidity risk on the basis that the realisable value of financial assets is significantly greater than the financial liabilities due for settlement. The Company manages its liquidity risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Market Risk - Interest Rate Risk

Exposure to interest rate risk arises on interest-bearing financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect either the future cash flows (in the case of variable interest instruments) or the fair value financial instruments (in the case of fixed rate instruments).

Interest rate risk is managed using a mix of fixed and floating rate instruments. At 30 June 2020 the Company had no interest-bearing financial liabilities and one interest-bearing financial asset with a fixed interest rate (term deposit).

The Company also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

NOTE 25: COMPANY DETAILS

Gwandalan Bowling Club Limited

The principal place of business is:

68 Gambon 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 35, for the year ended 30 June 2020 are in accordance with the Corporations Act 2001 and:

(a) comply with Accounting Standards, which, as stated in the accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards; and

(b) give a true and fair view of the financial position at 30 June 2020 and of the performance or the year ended on that date if 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.

Director: T Bal

Mr Trevor Bales

Director: I Wall

Mr Ian Wall

Dated this 16th **day of September, 2020**

Bentleys
THINKING AHEAD

Bentleys Newcastle Pty Ltd
Level 1, 241 Denison Street
Broadmeadow NSW 2292
Australia

PO Box 411
Hamilton NSW 2303
Australia

ABN 16 116 184 617

T +61 2 4940 6100
F +61 2 4961 6810

bentleys.com.au

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 2020, the statement of profit or loss, statement of comprehensive income 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 2020 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 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. 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: S. C.
Stephen Chapman

Name of Firm: Bentleys Newcastle Pty Limited
Certified Practising Accountants

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

Dated this ......17th... day of September 2020