

**WARRINGAH BOWLING CLUB LIMITED  
A.B.N 85 000 014 219**

# **WARRINGAH BOWLING CLUB**

## **2019 ANNUAL REPORT**

**WARRINGAH BOWLING CLUB LIMITED  
ABN 85 000 014 219**

**WARRINGAH BOWLING CLUB LIMITED**  
**A.B.N 85 000 014 219**

**NOTICE OF 117<sup>TH</sup> ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY given that the one hundred and seventeenth Annual General Meeting of the Warringah Bowling Club Ltd will be held in the Clubhouse, 74-82 Bradleys Head Road, Mosman at 10am Sunday 24<sup>th</sup> November 2019**

**BUSINESS**

1. Attendance – Establishment of a Quorum of 20 full members.
2. Apologies.
3. To confirm the minutes of the previous Annual General Meeting held on 25 November 2018.
4. Business arising from the minutes.
5. To receive and consider the Statement of Financial Position, Profit & Loss Account and the reports of the Chairman and Treasurer.

Copies of the 2019 Annual Report will be on the Club website or available by request to the Secretary Manager on or after the 1<sup>st</sup> November 2019.

6. To deal with any other business of which due notice has been given. All business and notices of motion to be dealt with at the Annual General Meeting shall be in writing and must be received by the Secretary Manager no later than 28 days prior to the date of the Annual General Meeting.
7. To declare the results of the election of the Chairman and up to 4 other directors for the ensuing year end and, if necessary, to elect further directors.

By Order of the Board

Alex Sangkuhl  
Secretary Manager

Dated at Mosman the 11<sup>th</sup> day of October 2019

### **Chairman's Report 2019**

The strategic planning Board meetings held on Tuesday 27<sup>th</sup> March and Tuesday 17<sup>th</sup> April determined the strategy we would follow for the future of our Club. These were extremely positive and productive meetings when we considered the options of:

**1. Carrying on as we are:**

- Not a long term solution as the Club will continue to decline running at a loss which is likely to grow over time unless we raise prices probably to unrealistic levels given the state of the Club
- This option was unanimously rejected because if the definition of insanity is “doing the same thing over and over, expecting to get a different result” that is what this option implies
- There is great uncertainty as to the ongoing costs of maintaining an ageing building. In March alone we spent \$3500 rectifying concrete cancer in the wall supporting green #2 impacting reside of no.1 Queen St. we also spent \$2000 re-wiring the lower ground level as the increased load on our refrigeration equipment, due to significant increases in turnover, meant we were experience constant outages during busy periods.

**2. Borrow some money, say \$200K and make some improvements**

- The risk we saw with this option is that the improvements might not make sufficient change to make the Club much more attractive to our target market of attracting families.
- So we rejected this half way approach as not sufficiently improving the risk/reward ratio.

**3. Go for major change with 5 identified projects**

1. The Terrace extension
  - DA was successfully lodged in 2014
  - Construction Certificate was issued in February 2018
  - S96 was lodged in February 2018 for roofing and cladding
2. Outdoor Gaming Room / Smoking Balcony
3. The Deck
4. The Bowls Pavilion
5. The Kitchen

The effect of these projects would be to open up the main bar area with doors opening out onto the Terrace and Deck which would extend out onto the top green totally changing the south face of the Club House into an inviting family friendly area.

#### Financing option 3

This proved to be quite a saga.

1. With an initial positive response, we believed we would secure funding locally through the Bending bank. However our local manager was surprised to inform us that the bank was not willing to lend to venues with poker machines.
2. The other major banks, scared by the Royal Commission, indicated they would lend to us, but we would need to show two years net profit before they would consider this, hence why we elected to go into grey mode in May.
3. The board elected to finance through a private lender with the view to re-financing with a major bank on a first mortgage basis, once the profit results are achieved.

#### Gaming

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- New TITO (ticket in ticket out) system was installed in November and had its first full month in December. Usually a very quiet month but net takings were \$8k. January looking positive too at \$6k
- New CCU (Central Credit Unit) was also installed in November meaning staff now only scan poker machine payout tickets. There is no longer a wait for a manual pay, improving staff efficiency.

Greens and Grounds

- Greg Cutler Carpentry removed failing faux brick wall alongside the child care centre in December, landscapers put in pots. All agree it looks good and is a vast improvement.

The Board

We have a very good Board that works together well and harmoniously so it is a pleasure to chair the meetings. So much that has been decided is now being implemented.

I should also thank Judy LeGras and Jan Mountain who offered to continue as the finance committee. This gives an extra level of oversight outside of the board, AS informs board that auditors are very encouraging of this.

Peter Read B.Ec. FAICD  
Chairman  
18<sup>th</sup> October 2019

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**Treasurer's Report 2019**

The exciting financial news for members of the Club is that operationally we managed a book profit of over \$3,000 on a turnover of roughly \$1.4M. This achievement fulfilled one of the board's key performance indicators set to potentially attract major bank financial support. The major banks have indicated that a book profit for two consecutive years is a precursor to obtaining that financial support.

The board approved a number of management initiatives that facilitated this exciting result for 2018/2019. These initiatives included:

- Going into "grey mode" during the winter quarter resulting in reduced trading hours during non-productive periods thus reducing operational overheads including staff costs.
- Concentrating of revenue generating components such as private functions, barefoot bowls and general promotional events like oyster nights, trivia nights and regular meat raffles.
- Introducing changes to our catering options from full service plated meals to a "street food" boxed menu with disposable cutlery thus significantly reducing our costs in food waste and staff costs in preparation, clean-up and washing up.

The board with management continues to review all elements of the operation specifically:

- Reducing costs associated with stock double handling by staff
- Reducing carrying stock thru just in time ordering
- Actively looking for opportunities to outsource non-core tasks to more efficient and professional local business.

Gaming revenue did not reach industry expectations and the board is looking at how we might improve the result in the coming year.

All in all a very pleasing result for Warringah Bowling Club. We look forward to continued growth and profitability in the coming year.

Finally I'd like to express my gratitude to the management and staff for their dedication and commitment to the board and club members in what has been a very challenging economic and competitive environment. And to fellow board members I've appreciated their dedication and unstinting hard work and the support they have given to me personally.

Russell Tuckwell  
Treasurer  
20<sup>th</sup> October 2019

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**President's Report 2019**

Greg Cutler

President

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**Madam President's Report**

It has given me great pleasure to be the Women's President over the past year. I would like to thank Judy LeGras for her tireless effort as the Club Secretary even through her health issues. I would also like to thank the other Committee members for their support over the past year in organising selection, match & other events.

Our sincere sorrow goes to Shirley Miller & Margaret Mills who both lost their husbands during the past year. Margaret Mills has since resigned from the Club as a playing member and we thank her for her contribution to Women's Bowls over the many years. Marie McCredie also has been a great loss as a bowling member due to health issues and we thank her for all her efforts and wish her well for the future.

All our Club Championships were carried out over the past year and all winners are listed under Match Results. Congratulations to all the successful participants. We are still trying very hard to recruit new players to join our Wednesday & Saturday social play & events.

The Women's Warringah Trophy Day was a huge success and enjoyed by nine visiting Clubs from the surrounding area. We would like to thank Travel Associates & Graham Walton for their generous sponsorship of this event. Harbord was the winner of the day but due to the generous donations we were able to give out prizes for the runners up plus morning & afternoon winners.

We were unable to field a side for the Mayoress' Trophy Day held at Mosman Bowling Club due to so many of our members being unavailable. We hope this year as hosts of the event we will be more successful in fielding a team.

Thank you all again for your support over the last year and I look forward to a growth in membership in the near future.

Elizabeth Moline

President

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**Secretary Manager's Report 2019**

It is pleasing to see that the club has had its seventh straight year of revenue growth, resulting in a small net profit. It had become abundantly clear to me by early 2018 that the club's facilities we're not able to cope with the increased patronage. I guess you could call them growing pains, just expensive ones. The club had remained wholly unchanged since the early 1960's until a few years ago, and was clearly unable to cope physically or financially with the change in usage. The major impediment to profit is our lack of revenue from gaming benchmarked against our competitors and industry standards. I had recommended to the board for 18 months that we trim into what I dubbed "grey mode" in order to maximise profitability in order to secure financing. We finally entered this mode partially in May, and fully in June. These became our most profitable months of the year.

In order to bring the club into a competitive position, five major projects were identified to be undertaken:

1. Main bar & terrace refurbishment
2. Outdoor gaming room
3. The bowls Pavillion
4. New bar, pizza kitchen, bottleshop, function kitchen
5. Conversion of the #1 bowling green

Obviously the cost to do this all at once is prohibitive, so the projects were prioritised in order of cost v potential revenue generation. Unfortunately, again, the kitchen is the big loser here. To do this we need to borrow funds. As the Chairman alluded to, bank finance is much harder to obtain than it may have been in the past due to the current political climate. Promissory notes raised with members to fund our earlier projects began to fall due from July. Whilst some were paid early and the July notes were paid out of operational cash flow, without borrowing we would be facing another year of stagnation whilst we paid these out. We offered the opportunity to re-invest with our note holders, however the vast majority elected to have their investment returned. At this point I'd like to thank those who invested for their contribution to the club's growth thus far, and to those who stuck with us, thank you for your confidence in the club's future.

The board elected to secure private financing on the provision that we aim to re-finance with a first mortgage over the club with a major bank, once we were able to meet tighter lending provisions. Thankfully, with a profit this year, and the changes to our operational structure, we are already half way there. You will no doubt see the bar and terrace projects are almost complete, and will give us much more marketing attraction for the summer. Events to date have been extremely successful. We entered into the pre-DA planning process with Council in 2018 for the outdoor gaming area. Unfortunately at that point the design changes the council requested made the proposal non-compliant with the smoke free environment act. We have now engaged an architect who specialises in such facilities, and hope to make an announcement on a DA in December, with the view to build from February 2020. We are also nearing completion of our subdivision and re-zoning of the number 1 bowling green in order to give us 3 distinct land assets on which to leverage.

The second side of the equation is efficiencies. As we have outgrown our facilities, the operation became very labour intensive. During the year we undertook several projects to address these areas of concern:

1. Poker machine TITO (ticket in / ticket out) and CCU (Central Credit Unit) Installation. Patrons no longer have to wait for manual pays and can change machines quickly if they wish. End of

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month reporting is much simplified. The results were immediate with our two slowest months on gaming, traditionally December & January, being our best of the year. The next step will be cash redemption terminal, eliminating all remaining labour costs associated with gaming.

2. Installation of a new beer system. This has allowed us to stock a range of products from local independent businesses, giving us a competitive edge over our neighbours who are all contracted to the major breweries. This has brought a new clientele into the club and will allow us a new range of promotions such as brewer's nights, in the New Year. By supporting local we have also managed to secure very competitive pricing, allowing us to improve our margins.
3. New cool rooms. Already beyond capacity, and a major OH&S issue, Rusty has taken the lead on the new cool room project. We identified major issues with double handling, inability to purchase effectively, waste, safety and preparation. We will soon commission three new cool rooms, one for bottles, one for the kitchen and a freezer for the kitchen. The keg room will be just for kegs. We anticipate major gains in efficiency. Simply being able to prepare more effectively for our peak function load will reduce labour costs. Rusty has put many hours of his own time into this project and I thank him for that.
4. From an administration side, we are launching several initiatives:
  - a. An arrangement with our new accountants & auditors to migrate to cloud accounting, allowing us to outsource our book keeping operation, and provide more timely management reports for the board at a time when we need it the most
  - b. We have outsourced our marketing & social media. You will have noticed the start of our weekly email updates as well as a substantial growth in our social media presence. We will also have a brand new website and app launching in the near future.
  - c. We are building a new reception counter with paperless sign in. during peak times bar staff will be able to concentrate on serving customers. One staff member can man a counter, take barefoot bowls payments, ensure compliance, take membership applications and print cards on the spot. This will streamline our operation as we grow, and untie the bar staff from much compliance and administrative work.
  - d. We are launching an exciting new membership structure for 2020 and look forward to making an announcement shortly.

I could go on for pages, but suffice to say it's been an extremely busy & positive year.

Alex Sangkuhl  
B.Comm (Accg) Macq.  
Secretary Manager

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**DIRECTORS' REPORT**

The Directors are pleased to submit for approval the Financial Report of the Club for the year ended 30 June 2019.

1. The names of the Directors in office at any time during or since the end of the year are:-
  - G. Cutler
  - G. Walton
  - J. LeGras (Retired 25<sup>th</sup> November 2018)
  - J. Mountain (Retired 28<sup>th</sup> August 2018)
  - P. Read
  - S. Menzies (Retired 25<sup>th</sup> November 2018)
  - L. Moline (Appointed 28<sup>th</sup> August 2018)
  - R. Tuckwell (Appointed 25<sup>th</sup> November 2018)
  - D. McCredie (Appointed 25<sup>th</sup> November 2018)
  - J. Robson (Appointed 25<sup>th</sup> November 2018)
  
2. The principal activity of the Company during the financial year was the promotion and conduct of the game of Lawn Bowls.
  
3. Short Term and Long-term Objectives  
The Club aims to provide an exceptional experience for members and guests in a welcoming and progressive environment. To achieve this objective the Board seeks to consolidate the Club's financial position by planning for current revenues to fund operational needs and to contribute to future capital expenditure requirements for enhancement of our bowling and clubhouse facilities.
  
4. Strategies  
The Board has endorsed and regularly reviews its Strategic Business Plan for the achievement of short and long term objectives including:
  - 4.1 Promoting participation in the game of lawn bowls through promotions, members' events and creating an active social calendar to attract new members.
  - 4.2 Establishing a profitable catering & bistro operation.
  - 4.3 Establishing a reliable revenue stream from gaming activities.
  - 4.4 Creating a modern, comfortable & well serviced bar & lounge facility.
  - 4.5 Streamlined administration and effective communication with members.
  - 4.6 Building the club's profile in the local area through events in conjunction with local community organisations.
  
5. Key Performance Measures  
The Board has established planning and budget protocols consistent with maintaining control over the club's operations and financial performance.

Significant business initiatives and expenditure are approved by the Board, or appropriate delegate.

All unplanned business outcomes, performance variances, and adverse circumstances (including weather events) are reviewed by management and the Board with a view to managing responses to protect and optimise the performance of the Club.

Annual audited financial reports for the following year are reported to members at the AGM. Additional business and operational related reports are provided to members on a periodic basis during the year.

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**DIRECTORS' REPORT**

6. Additional information regarding Directors

<b>CURRENT DIRECTORS</b>	<b>EXPERIENCE QUALIFICATIONS</b>	<b>&amp; POSITION</b>	<b>BOARD MEETINGS A/B</b>
Peter Read	3 Years on the Board Past Treasurer Company Director	Chairman & Treasurer	9/10
Greg Cutler	3 Years on the Board Carpenter	Men's President	8/10
Graham Walton	3 Years on the Board Company Director	Director	8/10
Elizabeth Moline	1 Year on the Board Councillor	Ladies President	9/9
Russell Tuckwell	1 Year on the Board Retired IT Manager	Treasurer	5/5
David McCredie	1 Year on the Board Travel Agent	Director	4/5
Justin Robson	1 Year on the Board Artist	Director	4/5

A – Number of meetings attended  
B – Number of meetings eligible to attend

<b>RETIRED DIRECTORS</b>	<b>EXPERIENCE &amp; QUALIFICATIONS</b>	<b>POSITION</b>	<b>BOARD MEETINGS A/B</b>
Janine Mountain	4 Years on the Board Retired IT Manager	Women's President	0/1
Judy LeGras	4 Years on the Board Travel Agent	Director	3/4
Simon Menzies	1 Year on the Board	Director	4/5

A – Number of meetings attended  
B – Number of meetings eligible to attend

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7. The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards any outstanding obligations of the entity. At 30 June 2019, the total amount that members of the company are liable to contribute if the company is wound up is \$16,160 (2018 \$13,360)
8. Auditor's Independence Declaration  
The lead auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 11 of the Financial Report.

Signed on behalf of the Directors in accordance with a resolution of the Board.

\_\_\_\_\_  
**Peter Read**  
**Director**

\_\_\_\_\_  
**Russell Tuckwell**  
**Director**

Signed at Mosman, dated 25<sup>th</sup> October 2019

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**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF WARRINGAH BOWLING CLUB LIMITED**

I declare that, to the best of my knowledge and belief during the year ended 30 June 2019 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

**Name of Firm:           ROBERTS NISSEN**

**Name of Partner:      P M MELDRUM**

Date:                           November 2019

Address:                   Level 3, 1 James Place, North Sydney NSW 2060

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>Revenue</b>			
Sales Revenue	2	939,569	814,911
Cost of Sales	3	<u>(389,218)</u>	<u>(343,287)</u>
<b>Gross Profit</b>		550,351	471,624
Other Income	2	438,594	418,694
<b>Expenses</b>			
Administration Expenses	3	(81,181)	(76,384)
Employee benefits Expenses	3	(523,299)	(506,524)
Depreciation & Amortisation	5	(62,028)	(67,404)
Bowls Related Expenses	3	(85,763)	(88,596)
Repairs & Maintenance	3	(43,263)	(37,427)
Operational Expenses	3	(114,842)	(107,865)
Interest Expense	3	(25,716)	(17,597)
Other Expenses	3	<u>(49,138)</u>	<u>(40,157)</u>
Current Year Surplus/ (Deficit) from Ordinary Activities		3,715	(51,636)
Current Year Surplus/(Deficit) before Income Tax		<u>3,715</u>	<u>(51,636)</u>
Income Tax Expense		-	-
Prior period adjustment		-	6,399
Total Comprehensive Income for the year, attributable to members of the Club		<u><u>3,715</u></u>	<u><u>(45,237)</u></u>

The accompanying notes form part of these financial statements.

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**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b><u>ASSETS</u></b>			
<b>Current Assets</b>			
Cash	7	106,276	183,821
Receivables	8	15,373	9,161
Inventories	10	34,211	38,402
Prepayments	9	8,383	5,532
<b>Total Current Assets</b>		164,243	236,916
<b>Non Current Assets</b>			
Property, plant and equipment	11	4,195,628	4,119,006
<b>Total Non Current Assets</b>		4,195,628	4,119,006
<b>Total Assets</b>		4,359,871	4,355,922
<b><u>LIABILITIES</u></b>			
<b>Current Liabilities</b>			
Trade & other payables	12	145,857	112,349
Tax Liabilities	14	22,427	68,496
Short Term Provisions	15	3,834	1,039
<b>Total Current Liabilities</b>		172,118	181,884
<b>Non Current Liabilities</b>	13	350,000	340,000
<b>Total Liabilities</b>		522,118	521,884
<b>Net Assets</b>		3,837,753	3,834,038
<b>ACCUMULATED FUNDS AND RESERVES</b>			
Retained Profits		357,826	354,111
Reserves	6	3,479,927	3,479,927
<b>Total Equity</b>		3,837,753	3,834,038

The accompanying notes form part of these financial statements.

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**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Accumulated Funds</b>	<b>Asset Revaluation Reserve</b>
	\$	\$
<b>Balance at July 1, 2017</b>	399,348	3,479,927
Surplus/(Deficit) attributable to members	(45,237)	-
<b>Balance as at June 30, 2018</b>	354,111	3,479,927
Surplus attributable to members	3,715	-
<b>Balance as at June 30, 2019</b>	357,826	3,479,927

**Asset Revaluation Reserve**

The Asset Revaluation Reserve records revaluations of non-current assets.

The accompanying notes form part of these financial statements.

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**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from Customers		1,371,779	1,231,092
Payments to Suppliers		(1,295,130)	(1,114,018)
Interest received		172	214
Interest Paid		(25,716)	(17,597)
		51,105	99,691
<b>Net Cash Provided by/ (used in) Operating Activities</b>	7	<b>51,105</b>	<b>99,691</b>
<b>Cash Flows from Investing Activities</b>			
Payment for Property, Plant and Equipment		(138,650)	(85,719)
		(138,650)	(85,719)
<b>Net Cash (Used in)/ provided by Investing Activities</b>		<b>(138,650)</b>	<b>(85,719)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from Loans		20,000	90,000
Repayment of Loans		(10,000)	(10,000)
		10,000	80,000
<b>Net Cash Provided by/ (used in) Financing Activities</b>		<b>10,000</b>	<b>80,000</b>
Net (Decrease)/ Increase in Cash and Cash Equivalents Held		(77,545)	93,972
Cash and Cash Equivalents at Beginning of Year		183,821	89,849
		183,821	89,849
<b>Cash and Cash Equivalents at End of Year</b>	7	<b>106,276</b>	<b>183,821</b>

The accompanying notes form part of these financial statements.

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**NOTES TO AND FORMING PART OF THE 2019 FINANCIAL STATEMENTS**

The financial statements are for Warringah Bowling Club Limited as an individual not for profit entity, incorporated and domiciled in Australia. Warringah Bowling Club Limited is a company limited by guarantee.

The financial statements were authorised for issue on 25<sup>th</sup> October 2019 by the directors of the club.

**NOTE 1: STATEMENT OF ACCOUNTING POLICIES**

**Basis of Preparation**

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001 and the Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements, except for cash flow information, have been prepared on an accrual 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.

a) Income Tax

No provision for income tax is required as the Club is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997, due to its promotion of bowls.

b) Inventories

Inventories are measured at the lower of cost and current replacement cost on an average cost basis.

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

c) Impairment of Assets

At the end of each reporting period, the Club reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

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

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

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

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**NOTES TO AND FORMING PART OF THE 2019 FINANCIAL STATEMENTS**

d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost of fair value, less where applicable, any accumulated depreciation and impairment losses.

Freehold Property

Freehold land is shown at its fair value based on periodic, but at least triennial, valuations by external independent valuers.

In periods when the freehold land is not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land are recognised in other comprehensive income. Revaluation decreases that offset previous increases of the same class of assets are recognised in other comprehensive income under the heading revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Buildings are carried at cost, less accumulated depreciation.

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 to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

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 company 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 leased assets, but excluding freehold land, is depreciated over their useful lives to the economic entity commencing from the time the asset is held ready for use.

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

<b><u>Classes of Fixed Asset</u></b>	<b><u>Depreciation Rate</u></b>
Buildings	0.0%-2.5%
Furniture and Fittings	10.0%-33.0%
Plant and Equipment	5.0%-50.0%
Greens and Surrounds	10.0%-20.0%

**WARRINGAH BOWLING CLUB LIMITED**  
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**NOTES TO AND FORMING PART OF THE 2019 FINANCIAL STATEMENTS**

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised on profit or loss in the period in which they arise.

e) 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 club are classified as finance leases. Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Lease assets are depreciated on straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

f) Employee Provisions

(i) Short-term employee provisions

Provision is made for the club'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 personal leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

(ii) Other long-term employee provisions

Provision is made for employees' long service leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees rendered 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 level, duration 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. For other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

The Club's obligation for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the Club 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.

g) Cash on Hand

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

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**NOTES TO AND FORMING PART OF THE 2019 FINANCIAL STATEMENTS**

h) Accounts Receivable and Other Debtors

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

Accounts receivable 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(c) for further discussion on the determination of impairment losses.

i) Revenue

Revenue from the sale of goods and delivery of services is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of goods and services tax.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer. All revenue is stated net of the amount of goods and services tax.

j) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position. Cash flows are presented on a net basis. The GST components of cash flows arise from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

k) Provisions

Provisions are recognised when the Club has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligations at the end of the reporting period.

l) Comparative Figures

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

**WARRINGAH BOWLING CLUB LIMITED**  
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**NOTES TO AND FORMING PART OF THE 2019 FINANCIAL STATEMENTS**

m) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates from 1 January 2019 and will be applicable in the 2020 financial year. The company has not opted for early adoption of these standards.

AASB 16 Leases – The revised Standard removes the distinction between operating and finance leases for leases. The Standard requires rights and obligations relating to most leases to be recognised on the balance sheet. Warringah Bowling Club Limited have not yet considered the impact of all leases and agreements currently in place.

AASB 15 Revenue from Contracts with Customers – This Standard moves the revenue recognition focus from transaction level to a contractual rights and obligations basis. Warringah Bowling Club Limited have not yet considered the impact of this Standard.

AASB 1058 Income for Not for Profits – This standard primarily applies to income not accounted for under AASB 15. Under the new Standard, Warringah Bowling Club Limited will recognise income as it meets performance obligations, so revenue will be recognised at the earlier of receipt or when Warringah Bowling Club have a right to the receipt. The adoption of this Standard may change recognition timing of certain income streams.

n) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Club during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of the recognition of the liability.

o) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial report 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 Club.

**WARRINGAH BOWLING CLUB LIMITED**  
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**NOTES TO AND FORMING PART OF THE 2019 FINANCIAL STATEMENTS**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2: REVENUE AND OTHER INCOME</b>		
<b>Sales Revenue</b>		
Bar Sales	624,868	485,961
Functions & Catering Income	314,701	328,950
	939,569	814,911
<b>Other Income</b>		
Poker Machine Revenue	57,790	36,963
Bowling Green Income	44,342	47,378
Subscriptions	21,913	21,402
Rents Received	299,648	294,296
Interest Received	173	214
Other Income	14,728	18,441
	438,594	418,694
Total Income	1,378,163	1,233,605

**Note 3: EXPENSES**

<b>Cost of Sales</b>		
Cost of Sales – Bar	233,192	196,312
Cost of Sales – Function & Catering	156,026	146,975
	389,218	343,287
<b>Other Expenses</b>		
Bowls Related	85,763	88,596
Employee Benefits	523,299	506,524
Administration	81,181	76,384
Repairs & Maintenance	43,263	37,427
Other Expenses	49,138	40,157
Depreciation Expense	62,028	67,404
Interest Expense	25,716	17,597
Operational Expenses	114,842	107,865
	985,230	941,954
	1,374,448	1,285,241

**Note 4: KEY MANAGEMENT PERSONNEL  
COMPENSATION**

Short term benefits	145,455	144,695
Post employment benefits	13,818	13,746
Long term benefits	3,470	2,970
Total Compensation	162,743	161,411

**Note 5: DEPRECIATION**

Clubhouse	8,112	6,433
Furniture & Fittings	22,165	20,545
Plant & Equipment	22,004	25,890
Greens & Grounds	2,074	3,137
Poker Machines	7,673	11,399
	62,028	67,404

**WARRINGAH BOWLING CLUB LIMITED**  
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**NOTES TO AND FORMING PART OF THE 2019 FINANCIAL STATEMENTS**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 6: RESERVES</b>		
Asset Revaluation Reserve	3,479,927	3,479,927
<b>NOTE 7: CASH ON HAND</b>		
a) Bank accounts		
Trading Account	29,348	28,500
Interest Bearing Account	35,382	35,240
Trophies Account	1,528	1,524
Women's Accounts	6,157	8,812
Clearing Accounts	10,909	2,638
Foundation Account	3,660	3,651
Construction Account	2,315	90,210
Cash on Hand	16,977	13,246
	106,276	183,821
b) Reconciliation of cash flow from operating activities with		
Current Year Surplus		
Profit/ (Loss) after Income Tax	3,715	(45,237)
Non-cash flows in operating profit		
Depreciation	62,028	67,404
Changes in Assets & Liabilities		
Decrease (increase) in Trade Debtors	(6,212)	(2,299)
Decrease (increase) in Inventories	4,191	(9,219)
Decrease (increase) in Prepayments	(2,851)	(12)
(Decrease) Increase in Trade Creditors & Accruals	(12,561)	92,240
Increase (decrease)/ in Provisions	2,795	(854)
(Decrease) Increase in Income in Advance	-	(2,332)
Net Cash Provided by Operating Activities	51,105	99,691

**Note 8: RECEIVABLES**

Trade Debtors	15,373	9,161
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**i. Provision for Doubtful Debts**

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items.

Movement in the provision for impairment of receivables is as follows:

Provision for Impairment as at 30 June 2018	NIL	NIL
Provision for Impairment as at 30 June 2019	NIL	NIL

**WARRINGAH BOWLING CLUB LIMITED**  
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**NOTES TO AND FORMING PART OF THE 2019 FINANCIAL STATEMENTS**

**ii. Credit Risk – Accounts Receivable and Other Debtors**

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

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

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

	Gross Amount	Past due & impaired	Past due but not impaired (days overdue)			Within initial trade terms
			<30	31-60	61-90	
<b>2018</b>						
Trade receivables	9,161	-	-	-	-	9,161
Other receivables	-	-	-	-	-	-
<b>Total</b>	<b>9,161</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,161</b>
<b>2019</b>						
Trade receivables	15,373	-	-	-	-	15,373
Other receivables	-	-	-	-	-	-
<b>Total</b>	<b>15,373</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,373</b>

	2019 \$	2018 \$
<b>NOTE 9: PREPAYMENTS</b>		
Prepayments	8,383	5,532
<b>NOTE 10: INVENTORIES</b>		
Stock on Hand	34,211	38,402

**WARRINGAH BOWLING CLUB LIMITED**  
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**NOTES TO AND FORMING PART OF THE 2019 FINANCIAL STATEMENTS**

**NOTE 11: PROPERTY, PLANT & EQUIPMENT**

**Freehold Land**

At valuation	3,600,000	3,600,000
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**Clubhouse**

Clubhouse at Cost	338,406	294,156
Less: Accumulated Depreciation	(31,212)	(23,100)
	307,194	271,056

**Plant & Equipment**

Equipment at Cost	314,986	279,631
Less: Accumulated Depreciation	(182,644)	(160,640)
	132,342	118,991

**Furniture & Fittings**

Furniture at Cost	276,046	244,484
Less: Accumulated Depreciation	(168,949)	(146,784)
	107,097	97,700

**Greens & Surrounds**

Greens at Cost	38,498	31,865
Less: Accumulated Depreciation	(23,005)	(20,931)
	15,493	10,934

**Poker Machines**

Poker Machines at Cost	66,790	45,940
Less: Accumulated Depreciation	(33,288)	(25,615)
	33,502	20,325

<b>Total</b>	4,195,628	4,119,006
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**Movement in Carrying Amounts**

	Furniture & Fittings	Clubhouse	Plant & Equipment	Greens & Surrounds	Poker Machines	Total
<b>2018</b>						
Net Book Value Brought Forward	94,862	235,446	135,435	11,713	23,235	500,691
Additions (Disposals)	23,383	42,043	9,446	2,358	8,489	85,719
Depreciation Expense	(20,545)	(6,433)	(25,890)	(3,137)	(11,399)	(67,404)
<b>Carrying amount at end of year</b>	97,700	271,056	118,991	10,934	20,325	519,006
<b>2019</b>						
Net Book Value Brought Forward	97,700	271,056	118,991	10,934	20,325	519,006
Additions (Disposals)	31,561	44,251	35,355	6,633	20,850	138,650
Depreciation Expense	(22,164)	(8,113)	(22,004)	(2,074)	(7,673)	(62,028)
<b>Carrying amount at end of year</b>	107,097	307,194	132,342	15,493	33,502	595,628

**WARRINGAH BOWLING CLUB LIMITED**  
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**NOTES TO AND FORMING PART OF THE 2019 FINANCIAL STATEMENTS**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 12: PAYABLES – CURRENT</b>		
Trade Creditors	81,681	79,404
Superannuation Payable	38,429	16,471
Other Payables	25,747	16,474
	145,857	112,349

**NOTE 13: BORROWINGS**

Current	-	-
Non-current	350,000	340,000
	350,000	340,000

**NOTE 14: TAXES**

GST Liability	7,851	32,939
PAYG Withholding tax due	14,576	35,557
	22,427	68,496

**NOTE 15: PROVISIONS – CURRENT**

Provision for Annual Leave	3,834	1,039
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The current portion for this provision includes the total amount accrued for annual leave entitlements that have vested due to employees having completed the required period of service.

Based on past experience, the Club does not expect the full amount of annual leave 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.

**NOTE 16: RELATED PARTY TRANSACTIONS**

a) Key Management Personnel. During the reporting period the Club did not employ anybody who was a close relative of a Director or Top Executive.

b) Other Related Parties:

During the year the Club's Director, Russell Tuckwell, was engaged for regular cellar maintenance & beer line cleaning. The Club paid \$11,400+ GST for the services provided under the entity Russell Tuckwell Services.

The Director Greg Cutler was also engaged for carpentry work and repairs & maintenance. The Club paid \$1,945+ GST for the services provided under the entity Greg Cutler Carpentry.

During the year no other Director of the company or related parties provided any good or services to the company in exchange for payment.

**WARRINGAH BOWLING CLUB LIMITED**  
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**NOTES TO AND FORMING PART OF THE 2019 FINANCIAL STATEMENTS**

**NOTE 17: MEMBERS' GUARANTEE**

The Club is limited by guarantee. If the company is wound up, the Articles of Association state that each member is required to contribute a maximum of \$10 each toward meeting any outstanding obligation of the Club. At 30 June 2019, the number of members was 1,616 - \$16,160 (2018 - 1336).

	2019 \$	2018 \$
<b>NOTE 18: CAPITAL AND LEASING COMMITMENTS</b>		
(a) Finance lease Commitments	NIL	NIL
(b) Hire Purchase Commitments	NIL	NIL
(c) Capital expenditure Commitments payable not later than one year		
- Main bar and Terrace Renovation Works	350,000	-

**NOTE 19: CONTINGENT LIABILITY**

At the 30<sup>th</sup> June 2019 the Club had no Contingent liabilities.

**NOTE 20: SUBSEQUENT EVENTS**

The Club as part of funding for the renovation works and further planned works entered into a finance agreement after year end on the 25th July 2019. The loan is for \$1.2m including interest and is to be drawn down in two tranches. The first drawdown on the loan was made in August 2019.

**NOTE 21: SEGMENT REPORTING**

The club operates predominantly in one industry. The principal activities of the Club are those of a Bowling Club. The Club operates in one geographical area being Mosman, NSW Australia.

**NOTE 22: FINANCIAL RISK MANAGEMENT**

The Club's financial instruments consist mainly of deposits with banks, accounts receivable and the totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, as follows:

	NOTE	2019 \$	2018 \$
<b>Financial Assets</b>			
Cash on Hand	7	106,276	183,820
Accounts receivables and other debtors	8	15,373	9,161
		121,649	192,981
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
- Accounts Payable and other payables	12	145,857	112,349
- Taxes Payable	14	22,427	68,496
- Borrowings	13	350,000	340,000
		518,284	520,845

**NOTES TO AND FORMING PART OF THE 2019 FINANCIAL STATEMENTS**

**NOTE 22: FINANCIAL RISK MANAGEMENT (cont)**

**Financial Risk Management Policies**

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

**Specific Financial Risk Exposures and Management**

The main risk the Club is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

**a. Interest Rate Risk**

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial rate instruments.

The financial instruments that expose the Club to interest rate risk are limited to cash on hand and fixed rate borrowings.

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

**b. Liquidity Risk**

Liquidity Risk arises from the possibility that the Club might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Club manages this risk through the following mechanisms:

- Preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- Maintaining a reputable credit profile;
- Managing credit risk related to financial assets;
- Investing only in surplus cash with major financial institutions; and
- Comparing the majority profile of financial liabilities with the realisation profile of financial assets.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

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**NOTES TO AND FORMING PART OF THE 2019 FINANCIAL STATEMENTS**

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

***Financial liability and financial asset maturity analysis***

	Within 1 Year		1-5 Years		Over 5 Years		Total Contractual Cash Flow	
	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$
<b>Financial Liabilities Due for Payment</b>								
Unsecured Notes	-	-	340,000	350,000	-	-	340,000	350,000
Lease Liabilities	-	-	-	-	-	-	-	-
Trade and Other Payables (excluding estimated Annual Leave and Deferred Income)	180,845	168,285	-	-	-	-	180,845	168,285
Total Expected Outflows	180,845	168,285	340,000	350,000	-	-	520,845	518,285

***Financial liability and financial asset maturity analysis***

	Within 1 Year		1-5 Years		Over 5 Years		Total Contractual Cash Flow	
	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$
<b>Financial Assets – Cash Flows Realisable</b>								
Cash on Hand	183,821	106,276	-	-	-	-	183,821	106,276
Trade Term and Loans Receivables	9,161	15,373	-	-	-	-	9,161	15,373
Total Anticipated Inflows	192,982	121,649	-	-	-	-	192,982	121,649
Net (Outflow) Inflow on Financial Instruments	12,137	46,636	(340,000)	(350,000)	-	-	(327,863)	396,636

**c. Credit Risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the Club. Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

**WARRINGAH BOWLING CLUB LIMITED**  
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**NOTES TO AND FORMING PART OF THE 2019 FINANCIAL STATEMENTS**

*Credit Risk Exposures*

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Accounts Receivable and other receivables that are neither past due nor impaired are considered to be of quality. Aggregates of such amounts are as detailed in Note 8.

The Club does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company. The trade receivables balance at 30 June 2019 and 30 June 2018 do not include any counter parties with external credit ratings.

Customers are assessed for credit criteria worthiness based on enquiry of the customer and management due diligence enquiries.

Credit risk related to balances with banks and other financial institutions is managed by the committee in accordance with approved Board policy. The following table provides information regarding credit risk relating to cash and cash equivalents.

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
Cash and Cash Equivalents	7	106,726	183,821

**Net Fair Values**

*Fair Value Estimation*

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below.

	<b>Footnote</b>	<b>2018</b>		<b>2019</b>	
		<b>Carrying</b>	<b>Value</b>	<b>Carrying</b>	<b>Value</b>
<b>Financial Assets</b>					
Cash on Hand	(i)	183,821	183,821	106,276	106,276
Accounts Receivables & Other Debtors	(i)	9,161	9,161	15,373	15,373
<b>Total Financial Assets</b>		<b>192,982</b>	<b>192,982</b>	<b>121,649</b>	<b>121,649</b>
<b>Financial Liabilities</b>					
Accounts Payables and other Payables	(i)	180,845	180,845	168,284	168,284
<b>Total Financial Liabilities</b>		<b>180,845</b>	<b>180,845</b>	<b>168,284</b>	<b>168,284</b>

**WARRINGAH BOWLING CLUB LIMITED**  
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**NOTES TO AND FORMING PART OF THE 2019 FINANCIAL STATEMENTS**

The fair values disclosed in the above tables have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for, relating to annual leave and deferred income which is not considered a financial instrument.

(ii) In the year ended 30 June 2019, \$20,000 promissory notes were offered to members with terms of principal repayable at maturity in 5 years and fixed interest of 6% payable annually in arrears. The net value represents the principal and the net fair value being the undiscounted remaining principal and interest due over the term of the note.

**NOTE 23: CAPITAL MANAGEMENT**

The Board controls the capital of the Club to ensure that adequate cash flows are generated to fund its operations.

Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

**NOTE 24: CORE PROPERTY**

The Club's core property comprises the defined trading premises situated at 74-82 Bradleys Head Road, Mosman and the leased childcare centre at 72 Bradleys Head Road, Mosman.

**WARRINGAH BOWLING CLUB LIMITED**  
**A.B.N 85 000 014 219**

**DIRECTORS DECLARATION**

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 12 to 30 are in accordance with the Corporations Act 2001
  - (a) Comply with Australian Accounting Standards; and
  - (b) Give a true and fair view of the financial position of the Company as at 30 June 2019 and of the performance for the year ended on that date of the Company.
2. In the opinion of the Directors there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with a resolution of the Board of Directors.

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**Peter Read**  
**Chairman**

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**Russell Tuckwell**  
**Director**

Dated 25<sup>th</sup> October 2019

**WARRINGAH BOWLING CLUB LIMITED**  
**A.B.N 85 000 014 219**

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF**  
**WARRINGAH BOWLING CLUB LIMITED**

**Opinion**

We have audited the financial report of Warringah Bowling Club Limited (the company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other 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 director's declaration.

In our opinion, the accompanying financial report 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 2019 and of its financial performance for the year then ended; and
- (ii) complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and 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 director of the company, would be in the same terms if given to the director as at the time of this auditor's report.

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 of the company 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 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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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 director determines 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 relating 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 has no realistic alternative but to do so.

The Directors of the company are responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility 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.
- 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the company.
- 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

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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.

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.

**ROBERTS NISSEN**

P M MELDRUM  
Partner

Sydney

November 2019