WARRINGAH BOWLING CLUB

2020 ANNUAL REPORT

WARRINGAH BOWLING CLUB LIMITED
ABN 85 000 014 219

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

NOTICE OF 118TH 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 12midday on Sunday 29 November 2020

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 2019.
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 2020 Annual Report will be on the Club website or available by request to the Secretary Manager on or after the 1st November 2020.

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 eight 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 18th day of October 2020

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

Chairman's Report 2020

What a year it has been! Yet we have come through stronger.

The Club was closed for 5 months; 2 months for the major renovations and 3 months as a result on the corona virus. So unsurprisingly we showed a current year deficit of $107,91. However the good news is that Net Profit before allowing for depreciation (a non-cash item) and interest was $42,819. Really an excellent result in the circumstances. Our turnover is growing strongly. See the Treasurer's Report for a more detailed analysis of how well we are going financially.

So, with the completion of the Pavilion on the lower green much of our building work (with the exception of the Smoking Lounge, and the extension of the terrace onto part of the top green) is behind us. We hope that by the AGM we will have Council approval to allow us to build the Smoking Lounge. We have already managed to buy some more modern poker machines to go with the Smoking Lounge to allow us to grow gaming revenue from the current low levels.

During the year we decided to form a mixed bowling club by doing away with the previous Men's club and the Ladies' club. See the Bowling President's Report for all the details.

Membership of the Club continues to grow strongly as does the usage, particularly given that our GM is running theme nights. Tuesday Trivia is growing well. Particularly pleasing is that it seems to attract a different audience. See the General Manager's Report for full details.

In all my years as a member I am delighted to say the staff we have now are the best we have ever had, hard-working conscientious, happy are courteous. It is a credit to our GM Alex Sangkuhl for the standard he has achieved with the staffing and the quality of the food service.

We set out in our design to make the Club a "family friendly" place not just a revamped bowling club; the Board must congratulate Alex and the team he chose for well and truly living up to the design objective. As Jim Broughton a former chair of the Club said "to make it the place to be in Mosman.

Peter Read B.Ec. FAICD
Chairman
October 2020

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

President's Report

Fellow Members,

It is with great pleasure that I bring to you this year's President's Report and what a year it has been!

For the first time in the history of Bowls NSW, the Men's Pennants Competition has welcomed the introduction of a gender neutral approach to the game, and as such, it has been greatly received by our members.

We have been very fortunate to include the ladies of our club in this year's competition and to also attract ladies, men and juniors from other clubs, to form two Pennants teams in 2020.

In addition to our new members, Warringah Bowling Club has been eagerly recruiting new bowlers with our new scholarship program which encourages brand new bowlers to try out the game for a year.

These changes and new initiatives have attracted a total of 15 new bowlers to our club and I'm sure you will join me in welcoming them all.

A big thank you goes out to all the selectors and volunteers that helped put together a year of good results in all departments of bowls. I would also like to thank our coach, Corinne Crouch, for her time and efforts in the lead up to our Pennants season.

A special thanks goes to our Bowls Secretary, Rusty Tuckwell, for getting seven club championship events on the park, all played & finished in the calendar year.

Of course, it wouldn't be a bowls season without winners, so a huge congratulations to the winners of our various championships with special mention to Justin Robson our Minor Singles Champion and Matt Barry our Major Singles Champion. Well done gents!

The new year is just around the corner and I look forward to seeing you all on the green in 2021.

Good luck & happy bowling.

David McCredie.
WBC President.

WARRINGAH BOWLING CLUB LIMITED
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Secretary Manager's Report 2020

Dear Members,

I think it's pretty safe to say that covid has ruined the year for everyone in our industry and is continuing to wreak havoc. Whilst the result for the year was disappointing, events were completely unforeseeable and out of our hands. The good things to note from the financial report are that we have retired the majority of debt form our original note issue, and we still managed to record a cash surplus for the year, the loss coming from additional interest and depreciation. If you look at the growth of the business taking into consideration construction time and the mandatory lockdown during our peak trading season, we were on track for a good year. I'd like to highlight chronologically the major events of the year.

In June 2019 your board approved stage 1 of the terrace and bar project, nobody had heard of covid at this time. The club was essential shut down for 2 months between Sept – Nov, for construction. Christmas functions were already locked in and we had a positive December quarter. We built 3 new cool rooms in order to address OH&S issues and improve efficiency by removing double, and sometimes triple handling of goods and enabling us to order more efficiently. We outsourced the labour cost of our catering operation. The board budgeted to market aggressively for the new year to return a profit with additional forecasted interest and depreciation expenses. A marketing consultant was engaged to help drive this.

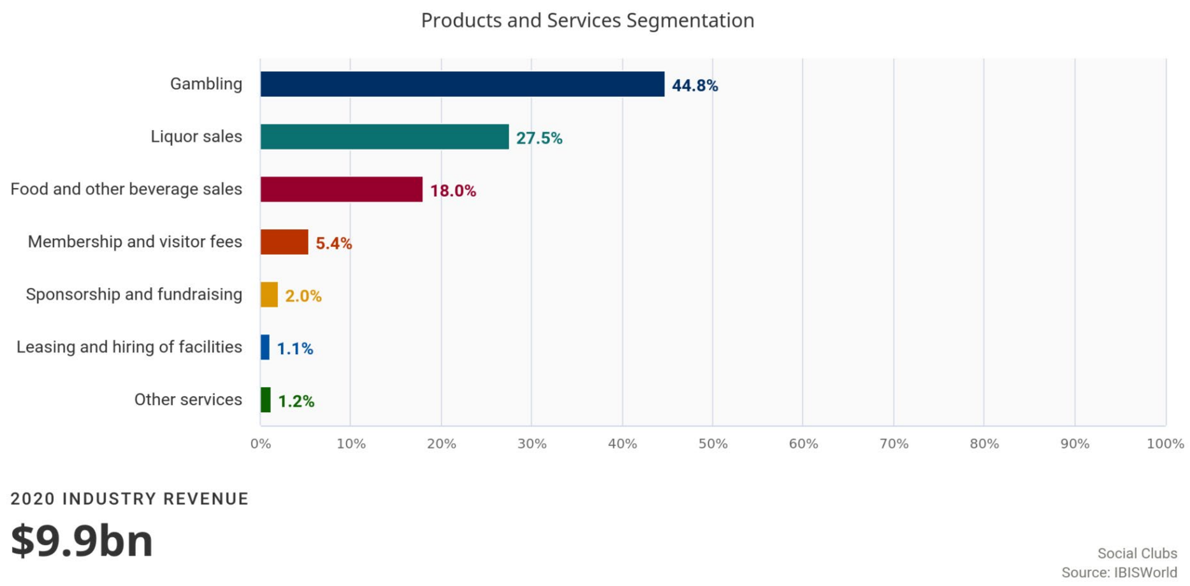
We entered the new year with great momentum from our renovations and had many exciting promotions, most notably our Sunday live music session, where we enjoyed spectacular attendance. Unfortunately a few neighbours took exception to our activities, making constant complaints to police to the point where we had to have regular sound monitoring undertaken, including detailed management plans and restrictions on times the windows and doors could be open. Funnily enough, I was never able to get an accurate sound measurement from across the other side of Bradleys Head Rd where the majority of complaints emanated, due to the Sunday traffic load ! In the end licensing forced us to operate with the new doors closed, meaning exploring air conditioning for the main bar was suddenly on the agenda.

Come March, forward bookings were by far the biggest we had ever seen, and then covid became a reality, people began postponing and cancelling, then come March 21, lockdown. The board immediately thought to fast track the outdoor smoking and gaming room DA in order to address noise issues and move forward on our plan for competitiveness. The board has identified for some time now that our profitability is being severely dampened by our lack of gaming revenue. To clarify, I have included the following data from our September quarterly report prepared by our accounting partners, Cabel, in order to demonstrate that our revenue generation is completely opposite to the industry standard:

Top sources of revenue - Jul 20 - Sep20

Source	Revenue	% of Total
Bar Takings	120,819	43%
Only About Children	75,508	27%
Catering	25,821	9%
Subscriptions	13,032	5%
Poker Machines	9,086	3%

Industry comparison:



We spent much time and effort, let alone tens of thousands of dollars, preparing all the reports and documentation the council requested and lodged in June.

During the lockdown, we applied for, and received several government and grants, as well as dealing with the childcare centre's request to relieve them of paying rent for 6 months!

Obviously, events subsequent to the balance date are relevant to this year's report, so a brief summation. We re-opened with heavy restrictions in June, with a brief relaxation then restrictions again in July. Compliance costs have been heavy, including compulsory covid marshalls, new electronic sign in equipment, restrictions on capacity, and by far the worse one, the requirement to be seated at all times. Licensing in our command have been particularly strict on this and have been piling pressure on the club. The good news, in spite of this, is that our financials for the quarter were tracking last year's results, giving the board reason to be positive. 383 new members signed up for the quarter.

On the flip side, the council took an eternity to assess our DA, and with 17 submissions from neighbours, mainly based on frivolity such as “increased traffic” it became apparent that the DA would not be approved this year. As such, and with advice from licensing that restrictions would be in place until at least March 2022, the board agreed to switch focus onto the terrace project. This gives us up to 150 additional covered seats under covid restrictions. I’m happy to say it’s fully booked for Christmas.

Alex Sangkuhl B.Comm (Accg)

Secretary Manager

DIRECTORS' REPORT

The Directors are pleased to submit for approval the Financial Report of the Club for the year ended 30 June 2020.

1. The names of the Directors in office at any time during or since the end of the year are:-
   G. Cutler (Appointed 13th November 2016)
   G. Walton (Appointed 13th November 2016)
   P. Read (Appointed 13th November 2016)
   E. Moline (Appointed 30th November 2019)
   D.McCredie (Appointed 30th November 2019)
   J. Robson (Appointed 30th November 2019)
   L. Moline (Appointed 28th August 2018)
   R.Tuckwell (Appointed 25th November 2018)
   J. Mountain (Retired 28th August 2019)

2. The principal activity of the Club during the financial year was the promotion and conduct of the game of Lawn Bowls.

3. The company incurred a deficit of $107,914 (2019: Surplus $3,715)

4. 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.

5. Strategies
   The Board has endorsed and regularly reviews its Strategic Business Plan for the achievement of short and long term objectives including:
   5.1 Promoting participation in the game of lawn bowls through promotions, members' events and creating an active social calendar to attract new members.
   5.2 Establishing a profitable catering & bistro operation.
   5.3 Establishing a reliable revenue stream from gaming activities.
   5.4 Creating a modern, comfortable & well serviced bar & lounge facility.
   5.5 Streamlined administration and effective communication with members.
   5.6 Building the club's profile in the local area through events in conjunction with local community organisations.

6. 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.

DIRECTORS' REPORT

7. Additional information regarding Directors

CURRENT DIRECTORS	EXPERIENCE & QUALIFICATIONS	POSITION	BOARD MEETINGS A/B
Peter Read	4 Years on the Board Past Treasurer Company Director	Chairman & Treasurer	8/8
Greg Cutler	4 Years on the Board Carpenter	Men's President	4/8
Graham Walton	4 Years on the Board Company Director	Director	8/8
Libby Moline	2 Year on the Board Councillor	Ladies President	5/8
Russell Tuckwell	2 Year on the Board Retired IT Manager	Treasurer	3/8
David McCredie	2 Year on the Board Travel Agent	Director	8/8
Justin Robson	2 Year on the Board Artist	Director	7/8
Elizabeth Moline	1 Year on Board	Director	0/8

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

RETIRED DIRECTORS	EXPERIENCE & QUALIFICATIONS	POSITION	BOARD MEETINGS A/B
Janine Mountain	4 Years on the Board Retired IT Manager	Women's President	1/4

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

8. 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 company. At 30 June 2020, the total amount that members of the company are liable to contribute if the company is wound up is $20,430 (2019 $16,160)

9. Auditor's Independence Declaration
   The lead auditor's independence declaration for the year ended 30 June 2020 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	**Graham Walton**
Director	**Director**

Signed at Mosman, dated October 2020

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

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 2020 there have been:

(i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: **Cabel Partners**

Name of Partner: **Scott Bennison**

Date: October 2020
Address: Level 3, 1 James Place, North Sydney NSW 2060

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Revenue			
Sales Revenue	2	779,655	939,569
Cost of Sales	3	(372,537)	(389,218)
Gross Profit		407,118	550,351
Other Income	2	468,905	438,594
Expenses			
Administration Expenses	3	(84,650)	(81,181)
Employee benefits Expenses	3	(453,307)	(523,299)
Depreciation & Amortisation	5	(79,880)	(62,028)
Bowls Related Expenses	3	(68,296)	(85,763)
Repairs & Maintenance	3	(46,713)	(43,263)
Operational Expenses	3	(124,411)	(114,842)
Interest Expense	3	(70,853)	(25,716)
Other Expenses	3	(55,827)	(49,138)
Current Year (Deficit)/ Surplus		(107,914)	3,715
Current Year (Deficit)/ Surplus before Income Tax		(107,914)	3,715
Income Tax Expense		-	-
Total Comprehensive Income for the year, attributable to members of the Club		(107,914)	3,715

The accompanying notes form part of these financial statements.

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 $	2019 $
ASSETS			
Current Assets			
Cash	7	494,280	106,276
Receivables	8	14,383	15,373
Inventories	10	40,945	34,211
Other Assets	9	186,919	8,383
Total Current Assets		736,527	164,243
Non Current Assets			
Property, plant and equipment	11	4,625,799	4,195,628
Total Non Current Assets		4,625,799	4,195,628
Total Assets		5,362,326	4,359,871
LIABILITIES			
Current Liabilities			
Trade & other payables	12	210,649	145,857
Borrowings	13	200,000	350,000
Tax Liabilities	14	1,180	22,427
Short Term Provisions	15	20,658	3,834
Total Current Liabilities		432,487	522,118
Non Current Liabilities			
Borrowings	13	1,200,000	-
Total Non Current Liabilities		1,200,000	-
Total Liabilities		1,632,487	522,118
Net Assets		3,729,839	3,837,753
ACCUMULATED FUNDS AND RESERVES			
Retained Surplus		249,912	357,826
Reserves	6	3,479,927	3,479,927
Total Accumulated Funds and Reserves		3,729,839	3,837,753

The accompanying notes form part of these financial statements

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Accumulated Funds	Asset Revaluation Reserve
	$	$
Balance at July 1, 2017	399,348	3,479,927
(Deficit)/ Surplus attributable to members	(45,237)	-
Balance as at June 30, 2018	354,111	3,479,927
Surplus/(Deficit) attributable to members	3,715	-
Balance as at June 30, 2019	357,826	3,479,927
(Deficit)/ Surplus attributable to members	(107,914)	-
Balance as at June 30, 2020	249,912	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.

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Receipts from Customers		1,248,560	1,371,779
Payments to Suppliers		(1,177,643)	(1,295,130)
Interest received		79	172
Interest Paid		(70,853)	(25,716)
Net Cash Provided by/ (used in) Operating Activities	7	143	51,105
Cash Flows from Investing Activities			
Payment for Property, Plant and Equipment		(505,353)	(138,650)
Net Cash (Used in)/ provided by Investing Activities		(505,353)	(138,650)
Cash Flows from Financing Activities			
Proceeds from Loans		1,210,000	20,000
Repayment of Loans		(316,785)	(10,000)
Net Cash Provided by/ (used in) Financing Activities		893,215	10,000
Net Increase/ (Decrease) in Cash and Cash Equivalents Held		388,004	(77,545)
Cash and Cash Equivalents at Beginning of Year		106,276	183,821
Cash and Cash Equivalents at End of Year	7	494,280	106,276

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE 2020 FINANCIAL STATEMENT8S

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   October 2020 by the directors of the company.

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.

The Directors have prepared these accounts on a going concern basis as there was a net loss of $107,914 (2019: net profit $3,715). The current assets exceeded current liabilities by $304,040 (2019: deficit $257,875). The Board has put strategies in place to ensure that the company is able to pay its debts as and when they fall due. The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

a) Income Tax
No provision for income tax is required as the company 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 company 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 Profit or Loss and Other 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 company 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 asset's class, the company 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.

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, 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 company commencing from the time the asset is held ready for use.

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

Classes of Fixed Asset	**Depreciation Rate**
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%

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

For comparative year:
Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

For current year:
At inception of a contract, the company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.

The company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

The company has the right to direct the use of the asset i.e. decision-making rights in relation to changing how and for what purpose the asset is used.

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The estimated life of the right-of-use assets is based on those of property, plant and equipment. The right-of-use asset is subject to the impairment requirements and is assessed for impairment indicators at each reporting date.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

f) Employee Provisions

(i) Short-term employee provisions

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

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

For the current year

The core principal of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the company expects to receive in exchange for these goods and services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred.

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 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 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.

NOTES TO AND FORMING PART OF THE 2020 FINANCIAL STATEMENTS

m) New Accounting Standards for Application in Future Periods

The company has adopted these Standards which became effective for the first time at 30 June 2020.

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 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 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 company.

s) Financial Instruments

(i) Initial recognition and measurement

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.

(ii) Classification and subsequent measurement

Financial liabilities

Financial instruments are subsequently measured at:

– amortised cost; or
– 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:

- 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 relationship).

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.

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.

<u>Derecognition</u>

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

Derecognition of financial liabilities:

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 assets

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.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

NOTES TO AND FORMING PART OF THE 2020 FINANCIAL STATEMENTS

	2020 $	2019 $
NOTE 2: REVENUE AND OTHER INCOME		
Sales Revenue		
Bar Sales	550,431	624,868
Functions & Catering Income	229,224	314,701
	779,655	939,569
Other Income		
Poker Machine Revenue	52,761	57,790
Bowling Green Income	38,915	44,342
Subscriptions	23,347	21,913
Rents Received	304,654	299,648
Interest Received	79	173
Other Income	49,149	14,728
	468,905	438,594
Total Income	1,248,560	1,378,163

Note 3: EXPENSES

	2020 $	2019 $
Cost of Sales		
Cost of Sales – Bar	200,422	233,192
Cost of Sales – Function & Catering	172,115	156,026
	372,537	389,218
Other Expenses		
Bowls Related	68,296	85,763
Employee Benefits	453,307	523,299
Administration	84,650	81,181
Repairs & Maintenance	46,713	43,263
Other Expenses	55,827	49,138
Depreciation & Amortisation	79,880	62,028
Interest Expense	70,853	25,716
Operational Expenses	124,411	114,842
	983,937	985,230
	1,356,474	1,374,448
Auditors Remuneration		
Auditors Remuneration	9,870	9,870

Note 4: KEY MANAGEMENT PERSONNEL COMPENSATION

	2020 $	2019 $
Short term benefits	171,744	145,455
Post employment benefits	16,319	13,818
Long term benefits	17,872	3,470
Total Compensation	205,935	162,743

Note 5: DEPRECIATION & AMORTISATION

Clubhouse	11,041	8,112
Furniture & Fittings	26,546	22,165
Plant & Equipment	26,624	22,004
Greens & Grounds	2,556	2,074
Poker Machines	8,417	7,673
Amortisation of Borrowing Cost	4,696	-
	79,880	62,028

	2020	**2019**
	$	**$**
NOTE 6: RESERVES		
Asset Revaluation Reserve	3,479,927	3,479,927
NOTE 7: CASH ON HAND		
a) Bank accounts		
Trading Account	467,533	29,348
Interest Bearing Account	391	35,382
Trophies Account	1530	1,528
Women's Accounts	6,157	6,157
Clearing Accounts	2,592	10,909
Foundation Account	3,923	3,660
Construction Account	1,151	2,315
Cash on Hand	11,004	16,977
	494,280	106,276
b) Reconciliation of cash flow from operating activities with Current Year (Deficit)/ Surplus		
(Deficit)/ Surplus after Income Tax	(107,914)	3,715
Non-cash flows in operating profit		
Depreciation of Plant & Equipment	75,183	62,028
Changes in Assets & Liabilities		
Decrease (increase) in Trade Debtors	990	(6,212)
Decrease (increase) in Inventories	(6,734)	4,191
Decrease (increase) in Prepayments	4,733	(2,851)
(Decrease) Increase in Trade Creditors & Accruals	18,515	(12,561)
Increase/ (decrease) in Provisions	16,824	2,795
(Decrease) Increase in Income in Advance	(1,455)	-
Net Cash Provided by Operating Activities	143	51,105

Note 8: RECEIVABLES

Trade Debtors	14,383	15,373

i. Provision for Doubtful Debts

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 2019	NIL	NIL
Provision for Impairment as at 30 June 2020	NIL	NIL

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

The company 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 company 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 company.

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**	
2019						
Trade receivables	15,373	-	-	-	-	15,373
Other receivables	-	-	-	-	-	-
Total	15,373	-	-	-	-	15,373
2020						
Trade receivables	14,383	-	-	-	-	
Other receivables	-	-	-	-	-	14,383
Total	14,383	-	-	-	-	14,383

	2020 **$**	**2019** **$**
NOTE 9: OTHER ASSETS		
Prepayments	3,650	8,383
Prepaid Interest	116,965	-
Borrowing Cost	44,516	-
Less Accumulated Amortisation	(4,696)	-
Government Grant Accrued	26,484	-
	186,919	8,383

NOTE 10: INVENTORIES

Stock on Hand	40,945	34,211

NOTE 11: PROPERTY, PLANT & EQUIPMENT

Freehold Land		
At valuation	3,600,000	3,600,000
Clubhouse		
Clubhouse at Cost	688,999	338,406
Less: Accumulated Depreciation	(42,253)	(31,212)
	646,747	307,194
Plant & Equipment		
Equipment at Cost	380,356	314,986
Less: Accumulated Depreciation	(209,268)	(182,644)
	171,088	132,342
Furniture & Fittings		
Furniture at Cost	362,819	276,046
Less: Accumulated Depreciation	(195,495)	(168,949)
	167,324	107,097
Greens & Surrounds		
Greens at Cost	41,116	38,498
Less: Accumulated Depreciation	(25,561)	(23,005)
	15,555	15,493
Poker Machines		
Poker Machines at Cost	66,790	66,790
Less: Accumulated Depreciation	(41,705)	(33,288)
	25,085	33,502
Total	4,425,799	4,195,628

Movement in Carrying Amounts

2019	**Furniture & Fittings**	**Clubhouse**	**Plant & Equipment**	**Greens & Surrounds**	**Poker Machines**	**Total**
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)
Carrying amount at end of year	107,097	307,194	132,342	15,493	33,502	595,628

2020	**Furniture & Fittings**	**Clubhouse**	**Plant & Equipment**	**Greens & Surrounds**	**Poker Machines**	**Total**
Net Book Value Brought Forward	107,097	307,194	132,342	15,493	33,502	595,628
Additions (Disposals)	86,773	350,593	65,370	2,617	-	505,353
Depreciation Expense	(26,546)	(11,041)	(26,624)	(2,556)	(8,416)	(75,183)
Carrying amount at end of year	167,324	646,747	171,088	15,555	25,085	1,025,799

NOTES TO AND FORMING PART OF THE 2020 FINANCIAL STATEMENTS

NOTE 12: PAYABLES – CURRENT

	2020 $	2019 $
Trade Creditors	58,661	81,681
Superannuation Payable	37,363	38,429
Other Payables	114,625	25,747
	210,649	145,857

NOTE 13: BORROWINGS

	2020 $	2019 $
Current	200,000	350,000
Non-current	1,200,000	-
	1,400,000	350,000

NOTE 14: TAXES

	2020 $	2019 $
GST Liability	1,180	7,851
PAYG Withholding tax due	-	14,576
	1,180	22,427

NOTE 15: PROVISIONS – CURRENT

	2020 $	2019 $
Provision for Annual Leave	2,786	3,834
Provision for Long Service Leave	17,872	-
	20,658	3,834

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 company 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 company 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 Company paid $24,027+ GST for the services provided under the entity Russell Tuckwell Services.

NOTE 17: MEMBERS' GUARANTEE

The company is limited by guarantee. If the company is wound up, the Constitution state that each member is required to contribute a maximum of $10 each toward meeting any outstanding obligation of the company. At 30 June 2020, the number of members was 2,043 - $20,430 (2019: 1,616).

NOTE 18: CAPITAL AND LEASING COMMITMENTS

	2020 $	2019 $
(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 30th June 2020 the company had no Contingent Liabilities.

NOTE 20: SUBSEQUENT EVENTS

The company as part of funding for the renovation works and further planned works entered into a finance agreement after year ends on the 25th July 2019. The loan is for $1.2m including interest and is to be drawn down in two tranches. The loan has been fully drawn down and repayment is due by 25 July 2021.

The COVID-19 pandemic announced by the World Health Organisation post 31 January 2020 is having a negative impact on world stock markets, currencies and business activities. The Company has initiated strict policies and procedures to address the health and wellbeing of employees, members, consultants and contractors. The timing and extent of the impact and recovery from COVID-19 is not yet known however these events may have a post balance date impact.

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

NOTE 21: SEGMENT REPORTING

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

NOTE 22: FINANCIAL RISK MANAGEMENT

The company'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	2020 $	201 $
Financial Assets			
Cash on Hand	7	494,280	106,276
Accounts receivables and other debtors	8	14,383	15,373
		508,663	121,649
Financial Liabilities			
Financial liabilities at amortised cost			
- Accounts Payable and other payables	12	210,649	145,857
- Taxes Payable	14	1,180	22,427
- Borrowings	13	1,400,000	350,000
		1,611,829	518,284

Financial Risk Management Policies

The committee's overall risk management strategy seeks to assist the company 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 company 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 company to interest rate risk are limited to cash on hand and fixed rate borrowings.

The company 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 company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company 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.

NOTES TO AND FORMING PART OF THE 2020 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	
	2019 $	**2020 $**	**2019 $**	**2020 $**	**2019 $**	**2020 $**	**2019 $**	**2020 $**
Financial Liabilities Due for Payment								
Unsecured Notes	350,000	200,000	-	-	-	-	350,000	200,000
Mortgage	-	-	-	1,200,000	-	-	-	1,200,000
Trade and Other Payables (excluding estimated Annual Leave and Deferred Income)	168,284	211,829	-	-	-	-	168,284	211,829
Total Expected Outflows	518,284	411,829	-	1,200,000	-	-	518,284	1,611,829

Financial liability and financial asset maturity analysis

	Within 1 Year		1-5 Years		Over 5 Years		Total Contractual Cash Flow	
	2019 $	**2020 $**	**2019 $**	**2020 $**	**2019 $**	**2020 $**	**2019 $**	**2020 $**
Financial Assets – Cash Flows Realisable								
Cash on Hand	106,276	494,280	-	-	-	-	106,276	494,280
Trade Term and Loans Receivables	15,373	14,383	-	-	-	-	15,373	14,383
Total Anticipated Inflows	121,649	508,663	-	-	-	-	121,649	508,663
Net (Outflow) Inflow on Financial Instruments	(396,635)	96,834	-	(1,200,000)	-	-	(396,635)	(1,103,116)

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 company.
Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

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 company 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 2020 and 30 June 2019 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.

	Note	2020 $	2019 $
Cash and Cash Equivalents	7	494,280	106,726

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 statement of financial position. 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.

		2019		2020	
	Footnote	**Carrying**	**Value**	**Carrying**	**Value**
Financial Assets					
Cash on Hand	(i)	106,276	106,276	494,280	494,280
Accounts Receivables & Other Debtors	(i)	15,373	15,373	14,383	14,383
Total Financial Assets		121,649	121,649	508,663	508,663
Financial Liabilities					
Accounts Payables and other Payables	(i)	168,284	168,284	411,829	411,829
Total Financial Liabilities		168,284	168,284	411,829	411,829

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 2020, $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 company 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 company'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.

DIRECTORS DECLARATION

The Directors of the company declare that:

1. The financial statements and notes, as set out on pages 12 to 34 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 2020 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.

____

Peter Read
Chairman

____

Graham Walton
Director

Dated October 2020

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 2020, 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 2020 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 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 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 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.

Cabel Partners

Scott Bennison Sydney October 2020
Partner