

# **Austral Bowling Club Limited**

ABN 67 000 485 218

## **Financial Statements**

For the Year Ended 31 December 2019

# **Austral Bowling Club Limited**

ABN 67 000 485 218

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**For the Year Ended 31 December 2019**

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## Austral Bowling Club Limited

ABN 67 000 485 218

### Directors' Report

31 December 2019

The directors present their report on Austral Bowling Club Limited for the financial year ended 31 December 2019.

#### 1. General information

##### Directors

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

Names	Meetings Attended/ Eligible to Attend	Director Since	Years as a Club Director
Mr Bruce Blogg	12/12	2014	5 years
Mr Warren Colless (Passed away in November 2019)	9/12	2017	2 years
Mr William Shaw	12/12	2017	2 years
Mr Matthew Hooker	11/12	2017	2 years
Mr James Wardle	6/12	2015	4 years
Mr Mark Behringer	9/12	2018	1 year
Mr Kevin Crocker	12/12	2018	1 year
Mr Shane Woods (Appointed in December 2019)	1/1	2019	

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

##### Principal activities

The principal activity of Austral Bowling Club Limited during the financial year was that of a Licenced Bowling Club.

No significant changes in the nature of the Company's activity occurred during the financial year.

##### Members' guarantee

Austral Bowling Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 5 for members that are corporations and \$ 5 for all other members, subject to the provisions of the company's constitution.

At 31 December 2019 the collective liability of members was \$ 12,185.

##### Operating results and review of operations for the year

###### Operating results

The profit of the Company after providing for income tax amounted to \$ 721,483 (2018: \$ 324,136).

#### 2. Other items

##### Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

**Austral Bowling Club Limited**

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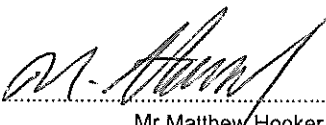
**Directors' Report**

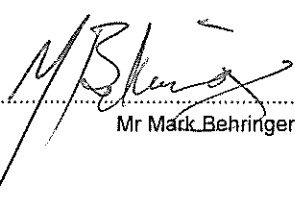
**31 December 2019**

**Auditor's independence declaration**

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2019 has been received and can be found on page 3 of the financial report.

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

Director:   
.....  
Mr Matthey Hooker

Director:   
.....  
Mr Mark Behringer

Dated 5 May 2020

**Austral Bowling Club Limited**

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**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Austral Bowling Club Limited**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 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.

**Fitzpatrick Group  
Chartered Accountants**



Rick Fitzpatrick  
Director

Dated 5<sup>th</sup> May 2020

**Austral Bowling Club Limited**

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**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 31 December 2019**

		2019	2018
	Note	\$	\$
Revenue	5	3,721,320	3,199,889
Finance income	6	7,933	56
Other income	5	210,162	161,356
Cost of Goods Sold	7	(1,444,696)	(1,436,239)
Employee benefits expense	7	(691,539)	(618,025)
Depreciation and amortisation expense	7	(472,068)	(407,170)
Directors' Related Expenses		(7,337)	(9,603)
Finance expenses	6	(3,085)	(2,226)
Other Operating Expenses		(599,207)	(563,902)
<b>Profit before income tax</b>		<b>721,483</b>	<b>324,136</b>
Income tax expense		-	-
<b>Profit for the year</b>		<b>721,483</b>	<b>324,136</b>
<b>Other comprehensive income, net of income tax</b>			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>721,483</b>	<b>324,136</b>

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

## Austral Bowling Club Limited

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### Statement of Financial Position

As At 31 December 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	1,784,759	1,080,266
Trade and other receivables	9	5,958	5,000
Inventories	10	33,379	30,941
Other assets	13	42,611	29,618
<b>TOTAL CURRENT ASSETS</b>		<b>1,866,707</b>	<b>1,145,825</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	3,528,998	3,673,383
Intangible assets	12	349,376	349,376
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,878,374</b>	<b>4,022,759</b>
<b>TOTAL ASSETS</b>		<b>5,745,081</b>	<b>5,168,584</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	250,608	349,124
Borrowings	15	19,156	71,730
Employee benefits	16	47,798	41,694
<b>TOTAL CURRENT LIABILITIES</b>		<b>317,562</b>	<b>462,548</b>
<b>TOTAL LIABILITIES</b>		<b>317,562</b>	<b>462,548</b>
<b>NET ASSETS</b>		<b>5,427,519</b>	<b>4,706,036</b>
<b>EQUITY</b>			
Reserves		645,566	645,566
Retained earnings		4,781,953	4,060,470
<b>TOTAL EQUITY</b>		<b>5,427,519</b>	<b>4,706,036</b>

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

**Austral Bowling Club Limited**

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**Statement of Changes in Equity**  
For the Year Ended 31 December 2019

2019

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 January 2019	4,060,470	645,566	4,706,036
Surplus for the year	721,483	-	721,483
Total other comprehensive income for the period	-	-	-
<b>Balance at 31 December 2019</b>	<b>4,781,953</b>	<b>645,566</b>	<b>5,427,519</b>

2018

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 January 2018	3,736,334	645,566	4,381,900
Surplus for the year	324,136	-	324,136
Total other comprehensive income for the period	-	-	-
<b>Balance at 31 December 2018</b>	<b>4,060,470</b>	<b>645,566</b>	<b>4,706,036</b>

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.



## Austral Bowling Club Limited

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### Statement of Cash Flows

For the Year Ended 31 December 2019

	2019	2018
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	11,507,090	9,116,365
Payments to suppliers and employees	(10,479,269)	(8,356,108)
Interest received	6,975	87
Interest paid	(3,085)	(2,226)
Net cash provided by/(used in) operating activities	<u>1,031,711</u>	<u>758,118</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	-	40,000
Purchase of property, plant and equipment	(274,644)	(510,178)
Net cash provided by/(used in) investing activities	<u>(274,644)</u>	<u>(470,178)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	19,156	1,603
Repayment of borrowings	(71,730)	-
Net cash provided by/(used in) financing activities	<u>(52,574)</u>	<u>1,603</u>
Net increase/(decrease) in cash and cash equivalents held	704,493	289,543
Cash and cash equivalents at beginning of year	<u>1,080,266</u>	<u>788,678</u>
Cash and cash equivalents at end of financial year	8 <u><u>1,784,759</u></u>	<u><u>1,078,221</u></u>

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

## Austral Bowling Club Limited

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# Notes to the Financial Statements

For the Year Ended 31 December 2019

The financial report covers Austral Bowling Club Limited as an individual entity. Austral Bowling Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Austral Bowling Club Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 27 March 2020.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

### 2 Change in Accounting Policy

#### Revenue from Contracts with Customers - Adoption of AASB 15/ Income of Not-for-profits Entities - Adoption of AASB 1058

The Company has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 January 2019.

The Company has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 January 2019.

As per the assessment by the Board, it is determined that the adoption of these two accounting standards does not have any significant impact to the financial statements. This is due to the simplicity of the revenue streams of the Company being poker machine income and bar sales. The recognition of revenue from these two main sources will not changed from the current accounting treatment.

#### Leases - Adoption of AASB 16

The Company has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 January 2019 and therefore the comparative information for the year ended 31 December 2018 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

#### Impact of adoption of AASB 16

As determined by the Board, it is concluded that the adoption of AASB 16 will not have any significant impact to the financial statements or its disclosures. This is because the Company does not currently have any significant leases in place.

### 3 Summary of Significant Accounting Policies

#### (a) Revenue and other income

For comparative year

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of

## Austral Bowling Club Limited

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# Notes to the Financial Statements

For the Year Ended 31 December 2019

### 3 Summary of Significant Accounting Policies

#### (a) Revenue and other income

revenue as noted below, has been satisfied.

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

#### Revenue from contracts with customers

For current year

The core principle 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 those goods or 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

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

#### Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

#### Poker Machine Income

All revenue derived from the poker machine sales are recorded immediately upon receipt. This is consistent with current accounting treatment.

#### Bar Sales

All revenue derived from bar sales are recorded immediately upon receipt. This is consistent with current accounting treatment.

## Austral Bowling Club Limited

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# Notes to the Financial Statements

For the Year Ended 31 December 2019

### 3 Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### Statement of financial position balances relating to revenue recognition

##### Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

##### Contract cost assets

The Company recognises assets relating to the costs of obtaining a contract and the costs incurred to fulfil a contract or set up / mobilisation costs that are directly related to the contract provided they will be recovered through performance of the contract.

##### *Costs to obtain a contract*

Costs to obtain a contract are only capitalised when they are directly related to a contract and it is probable that they will be recovered in the future. Costs incurred that would have been incurred regardless of whether the contract was won are expensed, unless those costs are explicitly chargeable to the customer in any case (whether or not the contract is won).

The capitalised costs are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

##### *Set-up / mobilisation costs*

Costs required to set up the contract, including mobilisation costs, are capitalised provided that it is probable that they will be recovered in the future and that they do not include expenses that would normally have been incurred by the Company if the contract had not been obtained. They are recognised as an expense on the basis of the proportion of actual output to estimated output under each contract. If the above conditions are not met, these costs are taken directly to profit or loss as incurred.

##### *Costs to fulfil a contract*

Where costs are incurred to fulfil a contract, they are accounted for under the relevant accounting standard (if appropriate), otherwise if the costs relate directly to a contract, the costs generate or enhance resources of the Company that will be used to satisfy performance obligations in the future and the costs are expected to be recovered then they are capitalised as contract costs assets and released to the profit or loss on a systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates.

## Austral Bowling Club Limited

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### Notes to the Financial Statements

For the Year Ended 31 December 2019

#### 3 Summary of Significant Accounting Policies

(e) **Property, plant and equipment**

**Provisions relating to contracts with customers**

There are no provisions relating to contracts with customers identified during the year.

**Financing component of contracts with customers**

There are no financing component of contracts with customers identified during the year.

**Other income**

Other income is recognised on an accruals basis when the Company is entitled to it.

(b) **Income Tax**

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) **Goods and services tax (GST)**

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

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) **Inventories**

Inventories are measured at the lower of cost and net realisable value.

(e) **Property, plant and equipment**

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

**Land and buildings**

Land and buildings are measured using the revaluation model.

## Austral Bowling Club Limited

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### Notes to the Financial Statements

For the Year Ended 31 December 2019

#### 3 Summary of Significant Accounting Policies

##### (e) Property, plant and equipment

###### Plant and equipment

Plant and equipment are measured using the cost model.

###### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Buildings	4% - 25%
Plant and Equipment	5% - 33%
Motor Vehicles	25%
Poker Machines	25%
Bowling Greens	10% - 25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

##### (f) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

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

###### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

###### Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL (Not applicable to entity)
- fair value through other comprehensive income - equity instrument (FVOCI - equity) (Not applicable to entity)

## Austral Bowling Club Limited

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### Notes to the Financial Statements

For the Year Ended 31 December 2019

#### 3 Summary of Significant Accounting Policies

##### (f) Financial instruments

###### Financial assets

- fair value through other comprehensive income - debt investments (FVOCI - debt) (Not applicable to entity)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

###### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

###### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI (Not applicable to entity)

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or

## Austral Bowling Club Limited

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# Notes to the Financial Statements

For the Year Ended 31 December 2019

### 3 Summary of Significant Accounting Policies

#### (f) Financial instruments

##### Financial assets

- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

##### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

##### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

##### Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

#### (g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.



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# Notes to the Financial Statements

For the Year Ended 31 December 2019

### 3 Summary of Significant Accounting Policies

#### (h) Employee benefits

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

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

#### (i) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 31 December 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

### 4 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### Key estimates - impairment of property, plant and equipment

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

There are no indicators of impairment during the year.

#### Key estimates - fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

#### Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

## Austral Bowling Club Limited

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### Notes to the Financial Statements

For the Year Ended 31 December 2019

#### 5 Revenue and Other Income

	2019	2018
	\$	\$
Revenue from contracts with customers (AASB 15)		
- Gaming Income (Net)	2,828,914	2,327,637
- Bar	816,689	782,824
- Membership Fees	22,791	20,083
- Bowls Income (Men & Ladies)	52,926	69,345
<b>Total Revenue</b>	<b>3,721,320</b>	<b>3,199,889</b>

	2019	2018
	\$	\$
Other Income		
- Other income	155,623	121,356
- Donations/ Sponsorships	1,500	-
- Net gain on disposal of property, plant and equipment	53,039	40,000
	210,162	161,356
<b>Total Revenue and Other Income</b>	<b>3,931,482</b>	<b>3,361,245</b>

#### 6 Finance Income and Expenses

##### Finance income

	2019	2018
	\$	\$
Interest income		
Bank deposits	7,933	56
<b>Total finance income</b>	<b>7,933</b>	<b>56</b>

##### Finance expenses

	2019	2018
	\$	\$
Interest expense	3,085	2,226
<b>Total finance expenses</b>	<b>3,085</b>	<b>2,226</b>

## Austral Bowling Club Limited

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### Notes to the Financial Statements

For the Year Ended 31 December 2019

#### 7 Result for the Year

The result for the year includes the following specific expenses:

	2019	2018
	\$	\$
Cost of sales	1,444,696	1,436,239
Other expenses:		
Employee benefits expense	691,539	618,025
Depreciation expenses	472,068	407,170

#### 8 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash at bank and in hand	1,782,759	1,078,016
Other cash and cash equivalents	2,000	2,250
	<u>1,784,759</u>	<u>1,080,266</u>

#### 9 Trade and other receivables

	2019	2018
	\$	\$
CURRENT		
Deposits	5,000	5,000
Other receivables	958	-
Total current trade and other receivables	<u>5,958</u>	<u>5,000</u>

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

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### 10 Inventories

	2019	2018
	\$	\$
CURRENT		
At cost:		
Bar Stock	33,379	30,941
	<u>33,379</u>	<u>30,941</u>

## Austral Bowling Club Limited

ABN 67 000 485 218

### Notes to the Financial Statements

For the Year Ended 31 December 2019

#### 11 Property, plant and equipment

	2019	2018
	\$	\$
Buildings		
At cost	4,050,299	4,048,649
Accumulated depreciation	(1,580,648)	(1,442,960)
Total buildings	2,469,651	2,605,689
Total land and buildings	2,469,651	2,605,689
<b>PLANT AND EQUIPMENT</b>		
Plant and equipment		
At cost	100,420	100,420
Accumulated depreciation	(81,482)	(74,875)
Total plant and equipment	18,938	25,545
Furniture, fixtures and fittings		
At cost	1,198,021	1,128,172
Accumulated depreciation	(984,862)	(899,830)
Total furniture, fixtures and fittings	213,159	228,342
Motor vehicles		
At cost	6,572	6,572
Accumulated depreciation	(2,167)	(524)
Total motor vehicles	4,405	6,048
Poker Machines		
At cost	1,433,386	1,370,808
Accumulated depreciation	(870,541)	(823,049)
Total Poker Machines	562,845	547,759
Bowling Greens		
At cost	260,000	260,000
Total Bowling Greens	260,000	260,000
Total plant and equipment	1,059,347	1,067,694
<b>Total property, plant and equipment</b>	<b>3,528,998</b>	<b>3,673,383</b>

**Austral Bowling Club Limited**

ABN 67 000 485 218

**Notes to the Financial Statements**  
For the Year Ended 31 December 2019

**11 Property, plant and equipment**

**(a) Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Buildings \$	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Motor Vehicles \$
<b>Year ended 31 December 2019</b>				
Balance at the beginning of year	2,605,689	25,545	228,342	6,048
<b>Additions</b>				
Additions	1,650	-	69,849	-
Depreciation expense	(137,688)	(6,607)	(85,032)	(1,643)
<b>Balance at the end of the year</b>	<u>2,469,651</u>	<u>18,938</u>	<u>213,159</u>	<u>4,405</u>
		Poker Machines \$	Bowling Greens \$	Total \$
<b>Year ended 31 December 2019</b>				
Balance at the beginning of year		547,757	260,000	3,673,381
<b>Additions</b>				
Additions		256,186	-	327,685
Depreciation expense		(241,098)	-	(472,068)
<b>Balance at the end of the year</b>		<u>562,845</u>	<u>260,000</u>	<u>3,528,998</u>

## Austral Bowling Club Limited

ABN 67 000 485 218

### Notes to the Financial Statements For the Year Ended 31 December 2019

#### 12 Intangible Assets

	2019	2018
	\$	\$
Poker Machine Entitlements		
Cost	349,376	349,376
Accumulated amortisation and impairment	-	-
<b>Net carrying value</b>	<b>349,376</b>	<b>349,376</b>
Total Intangible assets	349,376	349,376
<b>Total Intangibles</b>	<b>349,376</b>	<b>349,376</b>

#### 13 Other Assets

	2019	2018
	\$	\$
CURRENT		
Prepayments	42,611	29,618
	<b>42,611</b>	<b>29,618</b>

The Company has initially applied AASB 15 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118 and related interpretations.

#### 14 Trade and Other Payables

	2019	2018
	\$	\$
CURRENT		
Trade payables	67,328	113,663
GST payable	62,249	75,527
Sundry payables and accrued expenses	82,310	90,140
Other payables	38,721	69,794
	<b>250,608</b>	<b>349,124</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

## Austral Bowling Club Limited

ABN 67 000 485 218

### Notes to the Financial Statements

For the Year Ended 31 December 2019

#### 15 Borrowings

	2019	2018
	\$	\$
CURRENT		
Secured liabilities:		
Bank overdraft	-	2,071
Lease liability secured	19,156	19,659
Bank loans	-	50,000
<b>Total current borrowings</b>	<b>19,156</b>	<b>71,730</b>
<b>Total borrowings</b>	<b>19,156</b>	<b>71,730</b>

Leased liabilities are secured by the underlying leased assets.

#### 16 Employee Benefits

	2019	2018
	\$	\$
Current liabilities		
Long service leave	16,769	8,423
Annual Leave	31,029	33,271
	<b>47,798</b>	<b>41,694</b>

#### 17 Reserves

##### (a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model. The last adjustment was performed on 15th November 2015.

#### 18 Members' Guarantee

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 \$ 5 each towards meeting any outstandings and obligations of the Company. At 31 December 2019 the number of members was 2,437.

#### 19 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$ 119,692. The key management personnel of the Company is Karen Butler, General Manager of the Club.

#### 20 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2019 (31 December 2018: None).

## Austral Bowling Club Limited

ABN 67 000 485 218

### Notes to the Financial Statements

For the Year Ended 31 December 2019

#### 21 Related Parties

- (a) The Company's main related parties are as follows:

Key management personnel - refer to Note 19.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

- (b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

- (c) Loans to/from related parties

There are no loans to/ from related parties identified during the year.

#### 22 Events after the end of the Reporting Period

The financial report was authorised for issue on 23<sup>rd</sup> April 2020 by the Board of Directors.

The Company evaluates its financial year ended 31 December 2019 for subsequent events through to the date of issuance of the financial report. As a result of the spread of the Coronavirus (COVID-19) which has since been declared a pandemic, COVID-19 has had either a direct or indirect financial and operational impact on the Company's normal business activities has considered the impact of the outbreak, however, as of the date of issuance of the financial report, it is not possible to accurately determine the nature or extent of the impacts or the time over which the Company will be impacted. Based on the current available information, the Board believes that the Company will remain a going concern.

Other than the above mentioned, no other 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.

#### 23 Statutory Information

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

Austral Bowling Club Limited  
Corner 8th and Edmondson Avenue  
AUSTRAL NSW 2179



## Austral Bowling Club Limited


ABN 67 000 485 218

### Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 22, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 31 December 2019 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director   
Mr Matthew Hooker

Director   
Mr Mark Behringer

Dated 5 May 2020

## **Austral Bowling Club Limited**

ABN 67 000 485 218

# **Independent Audit Report to the members of Austral Bowling Club Limited**

## **Report on the Audit of the Financial Report**

### **Qualified Opinion**

We have audited the financial report of Austral Bowling Club Limited (the Company), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

### **Basis for Qualified Opinion**

We did not observe the counting of physical inventories at the end of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 31 December 2019, which are stated in the statements of financial position at \$27,556.

As a result, we were unable to determine the existence and completeness of inventory on hand and whether any adjustments might have been found necessary in respect of recorded or unrecorded inventories and accounts receivable, and the elements making up the statement of profit or loss, **statement** of changes in equity and statement of cash flows as at 31 December 2019.

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 directors of the Company, would be in the same terms if given to the directors 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 qualified opinion.

### **Material Uncertainty Related to Going Concern**

We draw attention to Note 22 in the financial report, which describes the current outbreak of the Coronavirus (COVID-19) which may have an impact on the outgoing concern of the Company within the next 12 months of the signed financial report

## **Austral Bowling Club Limited**

ABN 67 000 485 218

## **Independent Audit Report to the members of Austral Bowling Club Limited**

The Company has considered the impact of the outbreak, however, as of the date of this financial report, it is unable to be quantified due to the uncertainties surrounding this matter. Our opinion is not modified in respect of this matter.

### **Responsibilities of 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 - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

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

As part of an audit in accordance with 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.
- 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.

**Austral Bowling Club Limited**

ABN 67 000 485 218

**Independent Audit Report to the members of Austral Bowling Club Limited**

- 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**FITZPATRICK GROUP**  
Chartered Accountants



Rick Fitzpatrick  
Director

Suite 7, 1 Somerset Avenue Narellan NSW 2567  
Dated this 5<sup>th</sup> day of May 2020