



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the ANNUAL GENERAL MEETING of
Dapto Citizens Bowling Club Limited
will take place on Sunday 25th August 2019 at 9.30am in the Clubhouse.

AGENDA OF ANNUAL GENERAL MEETING

1. Call for apologies and welcome guests.
2. To Confirm the Minutes of the previous Annual General Meeting.
3. To confirm the Patrons for the ensuing year.
4. To receive and consider the Directors Report and Declaration, Report of the Auditor and Financial Statements.
5. To consider the Ordinary Resolutions set out below.
6. To consider the Special Resolution set out below.
7. To deal with any business of which due notice has been given.

MEMBERS PLEASE NOTE

Members are requested to advise the Secretary Manager in writing, seven (7) days prior to the date of the Annual General Meeting of any query relating to the Financial Report on which further information may be required. Such information will be extracted from the records and be available at the Annual General Meeting.

ANNUAL REPORT

Members can access a copy of the 2019 Annual Report by going to the Club's website www.citos.com.au or by contacting club administration.

FIRST ORDINARY RESOLUTION

- (a) That the members hereby approve expenditure by the Club until the next Annual General Meeting of the Club for the following:
- (i) The reasonable costs of directors attending seminars, lectures and other educational activities as determined by the Board from time to time.
 - (ii) The reasonable costs (including travel and accommodation expenses) of directors attending meetings, conferences and trade shows conducted by ClubsNSW, the Club Managers Association and such other conferences and trade shows as determined by the Board from time to time.
 - (iii) The reasonable cost of directors attending any other registered club for the purpose of viewing and assessing its facilities as determined by the Board as being necessary for the benefit of the Club.
 - (iv) The reasonable cost of directors (and their spouses/partners if required) attending any club, community or charity function as the representatives of the Club and authorised by the Board to do so.
 - (v) The reimbursement of reasonable out of pocket expenses incurred by directors travelling to and from Board meetings or other duly constituted meetings of any committee of the Board.



- (vi) The reasonable expenses incurred by directors either within the Club or elsewhere in relation to such other duties including entertainment of special guests of the Club and other promotional activities approved by the Board on production of documentary evidence of such expenditure.
- (vii) The reasonable cost of Club apparel being provided to directors as required.
- (b) The members acknowledge that the benefits in paragraph (a) are not available for members generally but are only for those who are directors of the Club.

Notes to Members on First Ordinary Resolution

- 1. The First Ordinary Resolution is to have the members in general meeting approve expenditure by the Club for directors in respect of their duties. Included in the First Ordinary Resolution is the reasonable cost for directors to attend seminars, lectures, trade displays and other similar events to be kept abreast of current trends and developments which may have a significant bearing on the Club and for other out of pocket expenses.

Procedural Matters

- 2. To be passed, the First Ordinary Resolution must receive votes from not less than a majority of those members who, being eligible to do so, vote in person on the First Ordinary Resolution at the meeting.
- 3. In accordance with the requirements of the Corporations Act 2001, the First Ordinary Resolution must be considered as a whole and cannot be amended by motions from the floor of the meeting.
- 4. The Registered Clubs Act provides that:
 - (a) members who are employees of the Club are not entitled to vote; and
 - (b) proxy voting is prohibited.

SECOND ORDINARY RESOLUTION

That the members hereby approve:

- (a) Subject to (b), (c) and (d) below, the payment of the following honorariums to the following directors for services until the next Annual General Meeting of the Club:
 - (i) President - \$7,800.00
 - (ii) Bowls Secretary - \$10,000.00
- (b) Such honorariums to be paid by monthly or such other instalments as the Club and the director may agree from time to time.
- (c) If the director only holds office for part of the term, the honorarium shall be paid on a pro-rata basis.
- (d) If the Club engages a Bowls Co-ordinator then the honorarium paid to the Bowls Secretary will be paid up to the date of commencement of the Bowls Co-ordinator but not after commencement.

Notes to Members on Second Ordinary Resolution

- 1. The Second Ordinary Resolution is to have the members approve honorariums for the President and Bowls Secretary of the Club for duties to be performed by them until the next Annual General Meeting.
- 2. The honorariums will be paid on a pro-rata basis which means that if the director only holds office for part of the year the director will only receive part of the honorarium.
- 3. With regard to the honorarium to the Bowls Secretary, if the Club engages a Bowls Co-ordinator then the honorarium will cease when the Bowls Co-ordinator commences duties.



Procedural Matters

4. To be passed, the Second Ordinary Resolution must receive votes in its favour from a majority of those members who, being eligible to do so, vote in person on the Second Ordinary Resolution at the meeting.
5. In accordance with the requirements of the Corporations Act 2001, the Second Ordinary Resolution must be considered as a whole and cannot be amended by motions from the floor of the meeting.
6. The Registered Clubs Act provides that:
 - (a) members who are employees of the Club are not entitled to vote; and
 - (b) proxy voting is prohibited.

FIRST SPECIAL RESOLUTION

That the members of Dapto Citizens Bowling Club Limited (**Club**) confer Life Membership on Mr Trevor Johnston (Member: 270), in recognition of his outstanding service to the Club over many years.

Notes to Members on First Special Resolution

1. On the 22nd of July 2019, the Board of the Club received a nomination for Mr Trevor Johnston to be admitted to Life membership of the Club. The nomination was proposed by George Brown (Member: 55) and seconded by Stuart Low (Member: 2068).
2. Trevor Johnston joined Dapto Citizens Bowling Club in 1969 and served the club in many capacities. Including- Bowls Secretary 1981-1983, Vice President 1988-1990, Honorary Secretary 1991-92-93-97 and returning officer for many years. He won a number of club championships and assisted the club for many years.
3. In accordance with Rule 10.17 of the Club's Constitution, at its meeting on the 23rd July 2019, the Board unanimously approved the nomination and agreed to refer it for the consideration of the members at the next General Meeting of the Club, being this Annual General Meeting.
4. The Board recommends the First Special Resolution be adopted by members.

Procedural Matters

5. To be passed, the First Special Resolution must receive votes in favour from not less than three-quarters (75%) of those members who, being eligible to do so, vote in person on the resolution at the meeting.
6. Only Life members and financial Playing Members are entitled to vote on the First Special Resolution.
7. In accordance with the requirements of the Corporations Act 2001, the First Special Resolution must be considered as a whole and cannot be amended by motions from the floor of the meeting.
8. Under the Registered Clubs Act:
 - (a) members who are employees of the Club are not entitled to vote; and
 - (b) proxy voting is prohibited.

Dated August 2018

By direction of the Board

Shaun Parnis
Secretary Manager



GENERAL MANAGERS REPORT

FOR THE YEAR ENDED 31 MAY 2019

Financial year 2018/2019 proved to be another positive year; with the club continuing to progress forward and producing another great result. The stability between management and the board enabled them to continue their strong working relationship to take the club forward and to help ensure the long term sustainability of the club looking into the future.

I would like to take this chance to thank Noel and the board of directors for the working relationship/environment they have provided me with throughout the year and to thank them for their support, vision and ability to work as a team to achieve these great results for the club.

On the greens, thanks to Michael and his team, whose efforts have produced top class greens for our members to play on a daily basis.

Thanks to Matt for his work in the bowls office, Brett Bailey as Bowls Secretary and the team of volunteers who ensure that the social bowls run smoothly.

To the bar staff, who continually try to pursue to offer a better service for our members and guests, they are the frontline of the club and do a terrific job to create a welcoming atmosphere in the club.

To the volunteers of the club, who there are many, a sincere thankyou and public appreciation, your work behind the scenes is often done without thanks.

The club has seen many aesthetic changes as well as changes that will have great social benefit, none bigger than the installation of the 99KW 272 panel solar energy system. We are excited by both the financial and social benefit this project will provide in the future.

This year saw an influx of a large number of new bowling members due to the demise of Huntley Bowling Club. The assimilation of the new members has been seamless and welcomed by all and this increase to membership numbers will only help strengthen our bowling position not only in the Zone but the State.

The club has made numerous and significant contributions to the local community throughout this year. Management and Board are readily mindful of our purpose and commitment to the local community.

Finally, to the members who support this wonderful club day in and day out, thank you. You are the foundation of this club and your support is appreciated.

Shaun Parnis

Secretary/Manager



PRESIDENTS REPORT

FOR THE YEAR ENDED 31 MAY 2019

To all Members

I would like to report on the progress of the Club for the period 2018-2019. We are proud to report a profit of \$572,322.

I'd like to say congratulations and thank you to our Secretary/Manager Shaun Parnis, you have done an excellent job, with another great result for the club.

I'd also like to take this opportunity to say a big thank you to all staff including administration, bar and courtesy bus drivers for all their hard work and dedication to our club over the past twelve months.

I'd like to thank our Head Green Keeper Michael Stead, and his apprentice Blake along with the help of Rod for the hard work they have done in maintaining our greens and getting our greens ready to the highest order. I would like to welcome Toby Peters as our first year Apprentice.

Thanks to Matty Miles and now Brett Bailey (Bowls Secretary) who has taken over from Matt as well as all the volunteers who help with the running of the bowls on a daily basis. I would like to officially welcome all the new members that have come across from Huntley Bowling Club and special mention to Nat Noronha for the magnificent job she is doing with the junior bowlers, keep up the good work.

To all our championship winners, Congratulations. To the number ones, threes and sevens Pennant teams, congratulations on making the Zone. I would also like to thank all bowlers for your commitment and sportsmanship on and off the green. Good luck to all our bowlers next year.

To Madam President Chris Ellem and Lady Bowlers, congratulations on your achievements throughout the year.

To all members who have lost loved ones this year I would like to extend to you and your family our deepest sympathy.

In concluding my report I would like to thank all members on the Board of Management for their ongoing support and hard work throughout the year.

Noel Hawke

President

Mens.

Major Singles.

Dylan Skinner. Winner.

Stuart Ellem. Runner Up.

Minor Singles.

Keith Belfitt. Winner

Lou Parnis. Runner Up.

Major Pairs.

Peter McCauley, Paul Luke. Winners.

Rob O'Rourke, Cayne Ford. Runners Up.

Major Triples.

Graham Tootell, Tom McCauley, Peter McCauley. Winners.

Noel Davis, Brian Davis, Brian Harriott. Runners Up.

Major Fours.

P.McIver, I.Bailey. C.Green, T.Suckley. Winners.

B.McCann, H.Dockherty, T.Paramore, D.Kember. Runners Up.

Major Minor Pairs.

Lou & Shaun Parnis. Winners.

Wayne & Cayne Ford. Runners Up.

Minor Pairs.

Mark Sunderland, Wayne Ford. Winners.

Stuey Tyrell, Peter Carter. Runners Up.

Ladies.

Major Singles.

Sally Golding. Winner

Sheila Roberts. Runner Up.

Minor Singles.

Nicki Manousakis. Winner

Archana Kotwal. Runner Up.

Nominated Pairs.

Sally Golding, Agnes Chalker. Winners

Dianne Lienert, Jenette Campbell. Runners Up.

Nominated Triples.

Sally Golding, Sheila Roberts, Jenette Campbell. Winners.

Helen Rusten, Linda Headington, Julie Feltham. Runners Up.

Nominated Fours.

S Golding, R Ainsley, C Docherty, A Chalker. (C. Ellem sub in final). Winners.

L.Meiser, S.McCormack, D.Lienert, D.Woods. Runners Up.

Mixed Pairs.

Sally Golding, Rick Malley. Winners.

Linda Meiser, Cayne Ford. Runners Up.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Financial Statements

For the Year Ended 31 May 2019

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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For the Year Ended 31 May 2019

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Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Directors' Report

31 May 2019

Your directors present their report on Dapto Citizens Bowling Club Limited for the financial year ended 31 May 2019.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Name	Office Held	Years' Experience	Experience & Qualifications
N D Hawke	President	22	Business owner - Excavations
R Logan	Vice President	22	Coal Miner
G Brown	Director	17	Builder
D Batey	Director	10	Water Treatment Technician
I Bailey	Director	8	Warehouse Supervisor
S Low	Director	6	Quantity Surveyor
D Coleman	Director	6	Steel Worker
M McCann	Director	4	Service Manager
B Bailey	Director	3	Hospitality

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

Review of operations

The profit of the Club the year amounted to \$ 572,321 (2018: \$ 408,071).

Principal activities

The principal activities of Dapto Citizens Bowling Club Limited during the financial year were to maintain and conduct a Bowling Club for the accommodation of the members of the Club, to promote the game of Bowls and to encourage social activities between the members of the Club.

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

Short term objectives

The Club's short term objectives are to continue to provide quality facilities for the benefit of members and guests.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Directors' Report

31 May 2019

Long term objectives

From a long-term perspective, the Club seeks to improve the facilities and services that we can offer to our members and to place the Club in a position that ensures sustainability and viability for the future operations of the Club.

Strategy for achieving the objectives

To achieve these objectives, the Club has adopted the following strategies:

- implement cost cutting measures to areas that are deemed non-value added; and
- to overview current activities of the Club and diversify into different activities that will appeal to many in the local community.

Members' guarantee

Dapto Citizens Bowling Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the Club, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$10, subject to the provisions of the Club's constitution.

At 31 May 2019 the collective liability of members was \$ 26,200 (2018: \$ 23,240).

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Directors' Report

31 May 2019

Meetings of directors

During the financial year, 12 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number attended	Number eligible to attend
N D Hawke	12	12
R Logan	12	12
G Brown	10	12
D Batey	10	12
I Bailey	10	12
S Low	11	12
D Coleman	11	12
B McCann	12	12
B Bailey	12	12

Non-audit services

The Board of Directors, are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that these services disclosed in the notes to the financial statements did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of services provided does not compromise the general principles relating to auditor independence in accordance with *APES 110: Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

Dapto Citizens Bowling Club Limited

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Directors' Report

31 May 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 May 2019 has been received and can be found on page 5 of the financial report.

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



N D Hawke
President

Dated 23 July 2019



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

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

Daley Audit
Daley Audit

Michael Mundt
Michael Mundt
Partner

23 July 2019

Wollongong

Liability limited by a Scheme approved under Professional Standards Legislation.

Dapto Citizens Bowling Club Limited

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 May 2019

	Note	2019 \$	2018 \$
Revenue	4	4,282,136	3,842,352
Other income	4	112,232	83,603
Total income		4,394,368	3,925,955
Direct costs - cost of bar goods sold		(865,982)	(729,463)
Direct costs - gaming		(479,209)	(451,012)
Employee benefits expense		(972,758)	(929,415)
Finance costs		(20,446)	(3,404)
Depreciation expense		(371,099)	(398,697)
Loss on disposal of assets		(54,795)	(13,244)
Promotion expenses		(437,790)	(438,363)
Property costs		(281,206)	(261,828)
Other operating expenses		(338,762)	(292,458)
Result for the year		572,321	408,071
Other comprehensive income for the year		-	-
Total comprehensive income for the year		572,321	408,071

The accompanying notes form part of these financial statements.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Balance Sheet

As at 31 May 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	429,977	399,650
Trade and other receivables	7	28,305	48,164
Inventories	8	57,766	90,088
Other assets		21,098	20,058
TOTAL CURRENT ASSETS		<u>537,146</u>	<u>557,960</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	5,334,488	5,458,671
Intangible assets	10	508,346	459,256
TOTAL NON-CURRENT ASSETS		<u>5,842,834</u>	<u>5,917,927</u>
TOTAL ASSETS		<u>6,379,980</u>	<u>6,475,887</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	259,466	286,338
Borrowings	12	41,680	81,900
Employee benefits	13	169,677	128,022
TOTAL CURRENT LIABILITIES		<u>470,823</u>	<u>496,260</u>
NON-CURRENT LIABILITIES			
Borrowings	12	24,594	667,290
Employee benefits	13	16,748	16,843
TOTAL NON-CURRENT LIABILITIES		<u>41,342</u>	<u>684,133</u>
TOTAL LIABILITIES		<u>512,165</u>	<u>1,180,393</u>
NET ASSETS		<u>5,867,815</u>	<u>5,295,494</u>
EQUITY			
Retained earnings		<u>5,867,815</u>	<u>5,295,494</u>
TOTAL EQUITY		<u>5,867,815</u>	<u>5,295,494</u>

The accompanying notes form part of these financial statements.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Statement of Changes in Equity

For the Year Ended 31 May 2019

	Retained Earnings \$
Balance at 1 June 2018	5,295,494
Result for the year	<u>572,321</u>
Balance at 31 May 2019	<u><u>5,867,815</u></u>
Balance at 1 June 2017	4,887,423
Result for the year	<u>408,071</u>
Balance at 31 May 2018	<u><u>5,295,494</u></u>

The accompanying notes form part of these financial statements.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Statement of Cash Flows

For the Year Ended 31 May 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	4,728,491	4,229,334
Payments to suppliers and employees	(3,779,175)	(3,555,419)
Interest received	373	782
Other receipts	114,040	82,821
Net cash provided by operating activities	<u>1,063,729</u>	<u>757,518</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for intangible assets	(49,090)	(224,546)
Payments for property, plant and equipment	(301,396)	(1,761,985)
Net cash used by investing activities	<u>(350,486)</u>	<u>(1,986,531)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	-	925,000
Repayment of borrowings	(682,916)	(313,212)
Net cash (used)/provided by financing activities	<u>(682,916)</u>	<u>611,788</u>
Net increase/(decrease) in cash and cash equivalents held	30,327	(617,225)
Cash and cash equivalents at beginning of year	399,650	1,016,875
Cash and cash equivalents at end of financial year	6 <u>429,977</u>	<u>399,650</u>

The accompanying notes form part of these financial statements.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2019

The financial report covers Dapto Citizens Bowling Club Limited (the "Club") as an individual entity. The Club is a not-for-profit Club limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of the Club is Australian dollars.

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*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2. Summary of Significant Accounting Policies

(a) Revenue and other income

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

Sale of goods

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Donations

Donations and bequests are recognised as revenue when received.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2019

2. Summary of Significant Accounting Policies (continued)

(a) Revenue and other income (continued)

Interest revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Rental income

Rental income is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Subscriptions

Revenue from the provision of membership subscriptions is recognised in the year to which the membership relates.

Proceeds from winding up

The constitutions of all not-for-profit entities generally include a provision that, upon winding up, the remaining net assets must be distributed to like organisations. These funds of another legal entity cannot be controlled nor measured reliably by the Club until such time as formal unconditional communications have been received from the liquidator of the entity being wound up. Accordingly, revenue on these proceeds are recognised upon the earlier of the receipt of such communications or the cash distribution itself. Refer to note 16. for further information in relation to a specific application of this policy in the current year. All revenue is stated net of the amount of goods and services tax (GST).

(b) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

(c) Income tax

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

(d) 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.

Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2019

2. Summary of Significant Accounting Policies (continued)

(e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Club are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(g) Property, plant and equipment

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

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

Depreciation

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

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2019

2. Summary of Significant Accounting Policies (continued)

(g) Property, plant and equipment (continued)

Depreciation (continued)

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed asset class	Depreciation rate
Buildings	2%
Plant and Equipment	5 - 40%
Furniture, Fixtures and Fittings	5 - 20%
Motor Vehicles	22.5%
Poker Machines	22.5%

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.

(h) Financial instruments

Financial instruments are recognised initially on the date that the Club 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).

(i) 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.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2019

2. Summary of Significant Accounting Policies (continued)

(h) Financial instruments (continued)

(i) Financial assets (continued)

Classification

The Club classifies its financial assets as those measured at amortised cost.

The classification depends on the Club's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets are not reclassified subsequent to their initial recognition unless the Club 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 Club's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the balance sheet.

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

Interest income 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 financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significant since initial recognition and when estimating ECL, the Club 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 Club's historical experience and informed credit assessment and including forward looking information.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2019

2. Summary of Significant Accounting Policies (continued)

(h) Financial instruments (continued)

(i) Financial assets (continued)

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

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

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

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2019

2. Summary of Significant Accounting Policies (continued)

(h) Financial instruments (continued)

(ii) Financial liabilities

The Club 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 Club comprise trade payables, bank loans and finance lease liabilities.

(iii) Accounting policy applied prior 1 June 2018

The Club has applied AASB 9 prospectively. As a result, the comparative information provided continues to be accounted for in accordance with the Club's previous accounting policy below.

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

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All Income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2019

2. Summary of Significant Accounting Policies (continued)

(h) Financial instruments (continued)

(iii) Accounting policy applied prior 1 June 2018 (continued)

Loans and receivables

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

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

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

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

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

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

Held-to-maturity investments

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

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

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2019

2. Summary of Significant Accounting Policies (continued)

(h) Financial instruments (continued)

(iii) Accounting policy applied prior 1 June 2018 (continued)

Financial liabilities

Financial liabilities are classified as other financial liabilities depending on the purpose for which the liability was acquired.

The Club's financial liabilities include borrowings (including finance lease liabilities), trade and other payables which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Club assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance account, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

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

(i) Impairment of non-financial assets

At the end of each reporting period the Club determines whether there is evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2019

2. Summary of Significant Accounting Policies (continued)

(i) Impairment of non-financial assets (continued)

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(j) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2019

2. Summary of Significant Accounting Policies (continued)

(k) 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.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

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 ATO is classified as operating cash flows.

(l) Change in accounting policy

During the current year, AASB 9 - *Financial Instruments* had become mandatory, which has not had a material impact (in the current year or retrospectively) upon the measurement of assets, liabilities, equity, income or expenses, not upon the disclosures required in this financial report.

The aggregate effect of the change in accounting policy on the annual financial statements for the year ended 31 May 2019 is at note 20.

(m) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Club has decided not to early adopt these Standards. The following summarises those future requirements, and their impact on the Club where the standard is relevant:

AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from contracts with customers

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities in conjunction with AASB 15. AASB 1058 and AASB 15 supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2019

2. Summary of Significant Accounting Policies (continued)

(m) New Accounting Standards and Interpretations continued

For NFP entities, both AASB 1058 and 15 are mandatory from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 15.

The Club plans to adopt AASB 15 for the year ending 31 May 2020 using the modified retrospective method.

At this stage, the Club is not able to estimate the impact of the new rules on the Club's financial statements. The Club will make more detailed assessments of the impact over the next twelve months.

AASB 16 Leases

The standard will affect primarily the accounting for the Club's operating leases. However, the Club has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Club's profit and classification of cash flows. It is not expected to have a material impact.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under AASB 16.

The standard is mandatory for annual reporting periods beginning on or after 1 January 2019.

3. 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.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2019

3. Critical Accounting Estimates and Judgments (continued)

Key estimates - impairment of property, plant and equipment

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

Key estimates - useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain property, plant and equipment.

Key estimates - Long service leave (LSL)

As described in the accounting policies, LSL provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2019

4. Revenue and Other Income

	2019	2018
	\$	\$
Sales revenue		
- Bar sales	1,810,832	1,520,314
- Poker machine revenue	1,922,456	1,851,754
- TAB and Keno revenue	167,539	140,022
- Raffle income	139,530	122,623
- Green fees and raffles	94,216	79,320
- Other revenue	67,578	51,074
- Bingo revenue	55,230	55,206
- Subscriptions and nominations	24,755	22,039
	<u>4,282,136</u>	<u>3,842,352</u>
Other income		
- Interest income	373	782
- Rental income	111,859	82,821
	<u>112,232</u>	<u>83,603</u>
Total Revenue	<u><u>4,394,368</u></u>	<u><u>3,925,955</u></u>

Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2019

5. Result for the Year

Expenses

	2019	2018
	\$	\$
	Note	
Depreciation expense	371,099	398,697
Interest expense on financial liabilities	20,446	3,404
Loss on disposal of property, plant and equipment	54,795	13,244

6. Cash and cash equivalents

Cash on hand	178,700	168,700
Cash at bank	251,277	230,950
	429,977	399,650

7. Trade and other receivables

Trade and other receivables	28,305	48,164
Provision for impairment	(a) -	-
	28,305	48,164

(a) Impairment of receivables

The Club applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 May 2019 is determined by incorporating forward looking information.

8. Inventories

Finished goods - at cost	57,766	90,088
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Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2019

9. Property, plant and equipment

	2019	2018
	\$	\$
Land and buildings	5,857,657	5,936,497
Accumulated depreciation	(1,555,689)	(1,464,519)
Work in progress	98,376	4,500
	<u>4,400,344</u>	<u>4,476,478</u>
Plant and equipment		
At cost	1,015,032	1,547,665
Accumulated depreciation	(400,076)	(1,012,434)
	<u>614,956</u>	<u>535,231</u>
Furniture, fixtures and fittings		
At cost	271,440	311,839
Accumulated depreciation	(113,070)	(141,310)
	<u>158,370</u>	<u>170,529</u>
Motor vehicles		
At cost	80,974	80,974
Accumulated depreciation	(57,466)	(46,767)
	<u>23,508</u>	<u>34,207</u>
Poker machines		
At cost	1,204,685	1,242,571
Accumulated depreciation	(1,067,375)	(1,000,345)
	<u>137,310</u>	<u>242,226</u>
Total property, plant and equipment	<u><u>5,334,488</u></u>	<u><u>5,458,671</u></u>

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

9. Property, plant and equipment (continued)

(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:

	Land and Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Poker Machines	Total
	\$	\$	\$	\$	\$	\$
Year ended 31 May 2019						
Balance at the beginning of year	4,476,478	535,231	170,529	34,207	242,226	5,458,671
Additions	93,876	171,229	7,598	-	28,693	301,396
Disposals	(21,558)	(25,799)	(6,059)	-	(1,064)	(54,480)
Depreciation expense	(148,452)	(65,705)	(13,698)	(10,699)	(132,545)	(371,099)
Balance at the end of the year	4,400,344	614,956	158,370	23,508	137,310	5,334,488

Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2019

9. Property, plant and equipment (continued)

(b) Core and Non-Core Property

As required under section 41J of the *Registered Clubs Act 1976*, the Club is required to specify the core property and non-core properties owned as at the end of the financial year. Accordingly, the Board considers as core property the licensed premises and car park from which the Club operates at Fowlers Road, Dapto.

The properties located at 34 Craig Crescent Dapto, 36 Craig Crescent Dapto, 16 Toronto Avenue Dapto and 10 Rink Road, Dapto are not considered to be core properties of the Club given that they are not the defined premises of the Club, nor facilities provided by the Club for the use of its members and their guests, nor any other property declared, by a resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, to be core property of the club.

(c) Security held

The property located at 102-106 Fowlers Road Dapto is given as security under a Registered Mortgage to ANZ Bank Limited. Refer note 12 (b) for details of the loan.

10. Intangible Assets

	2019	2018
	\$	\$
Gaming machine entitlements - at cost	<u>508,346</u>	<u>459,256</u>

Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2019

11. Trade and other payables

	2019	2018
Note	\$	\$
Trade payables	51,129	96,293
Deferred income	19,268	17,395
Other payables	189,069	172,650
	<u>259,466</u>	<u>286,338</u>

Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables:

Total current	259,466	286,338
Less: amounts received in advance	19,268	17,395
Financial liabilities as trade and other payables	18 <u>240,198</u>	<u>268,943</u>

12. Borrowings

CURRENT

Secured liabilities:

Interest bearing equipment loans	(a) -	59,108
Interest bearing bank loans	(b) <u>41,680</u>	<u>22,792</u>
Total current borrowings	41,680	81,900

NON-CURRENT

Secured liabilities:

Interest bearing bank loans	(b) <u>24,594</u>	<u>667,290</u>
Total non-current borrowings	24,594	667,290

(a) Leased Liabilities

Leased liabilities are secured by the underlying leased assets.

(b) Securities pledged

The loan is secured by a registered mortgage over the licensed Club premises situated at 102-106 Fowlers Road, Dapto. Refer to note 9(c).

Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2019

13. Employee benefits

	2019	2018
	\$	\$
CURRENT		
Annual and long service leave	<u>169,677</u>	<u>128,022</u>
NON-CURRENT		
Long service leave	<u>16,748</u>	<u>16,843</u>

14. Leasing commitments

(a) Finance leases

Minimum lease payments:

- not later than one year

- 79,189

(b) Operating lease - lessor

Minimum lease receipts:

- not later than one year

- between one year and five years

43,545 23,886

- 4,793

Total

43,545 28,679

15. Interests of Key Management Personnel

The total remuneration paid to key management personnel of the Club was \$ 167,564 (2018: \$ 152,426).

Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2019

16. Contingencies

Contingent Assets

Shortly prior to year end, the members of a nearby bowling club in the final stages of winding up, passed a resolution to distribute its surplus funds upon the liquidation of its assets and liabilities to "like organisations" as per the requirements of its Constitution. Under a resolved formula, which is included in statutory documentation lodged with the Australian Securities and Investments Commission (ASIC), the Directors believe that it is highly probable that the Dapto Citizens Bowling Club Limited will receive a significant cash distribution. The timing and amount of the ultimate proceeds is subject to the finalisation of a number of incomplete statutory matters, and could be affected by the complexity of steps required to resolve them and the potential identification of additional creditors of that Club during the finalisation of the wind-up procedures. Accordingly, the final amount of distribution cannot be controlled, nor is it able to be measured reliably, hence cannot be brought into account as income as at balance date. Based upon available documentation lodged with ASIC and communications with the liquidator, the Directors expect the final distribution to be received in the coming months and is estimated to be in excess of \$700,000 - subject to the variabilities noted above. Refer to note 2(a) for the Club's accounting policy on revenue recognition.

17. Related Party Transactions

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

Key Management Personnel often participate in bowling activities whereby they can receive prize monies and vouchers. These prizes are received under the normal terms and conditions applicable to all members participating in such activities and are not considered to be remuneration and hence have not been included in the disclosures of note 15.

Key Management Personnel are provided with and/or reimbursed for meals, drinks and other expenses incurred in the course of undertaking the Club's business. These costs are not considered to be remuneration and hence have not been included in this disclosure.

Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2019

18. Financial risk management

The totals for each category of financial instruments, measured in accordance with AASB 9 (2018: AASB 139) as detailed in the accounting policies to these financial statements, are as follows:

		2019	2018
	Note	\$	\$
Financial Assets			
Cash and cash equivalents	6	429,977	399,650
Trade and other receivables	7	28,305	48,164
Total financial assets		458,282	447,814
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	11	240,198	268,943
- Borrowings	12	66,274	749,190
Total financial liabilities		306,472	1,018,133

19. Fair Value Measurement

The Club does not hold any classes of assets or liabilities that are measured at fair value in the statement of financial position after initial recognition.

20. Change in Accounting Policy

On 1 June 2018 the Club adopted *AASB 9 Financial Instruments* which resulted in changes in accounting policies, however no adjustments were required to be recognised in the financial statements.

The changes required was the reassessment of the policy for the impairment of trade receivables. The updated accounting policies are disclosed in note 2(h).

There has been no change in the estimation techniques or significant assumptions made as at 1 June 2018. There were no changes to the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity or Statement of Cash Flows as a result of the Implementation of AASB 9 Financial Instruments. Comparatives have not been restated.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2019

21. Events after the end of the Reporting Period

The financial report was authorised for issue on 23 July 2019 by the Board of Directors.

On 13th June 2019, the Club entered into a contract to purchase a neighbouring property, for \$585,000. This property is not considered to be a core property of the Club given that it will not be the defined premises of the Club, nor facilities provided by the Club for the use of its members and their guests, nor any other property declared, by a resolution passed by a majority of the members present at a general meeting of the ordinary members of the Club, to be core property of the Club.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

22. Statutory Information

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

102 Fowlers Rd
Dapto NSW 2530

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Directors' Declaration

The directors of the Club declare that:

1. The financial statements and notes, as set out on pages 6 to 32, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 31 May 2019 and of the performance for the year ended on that date of the Club.
2. In the directors' opinion, there are reasonable grounds to believe that the Club 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.



N D Hawke
President

Dated 23 July 2019



Independent Audit Report to the members of Dapto Citizens Bowling Club Limited

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Dapto Citizens Bowling Club Limited ("the Club"), which comprises the balance sheet as at 31 May 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the financial report of the Club is in accordance with the *Corporations Act 2001*, including:

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

Basis for Opinion

We conducted our audit in accordance with Australian Accounting 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 Club 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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daley.com.au

ABN 43 152 844 291

Liability limited by a
Scheme approved under
Professional Standards
Legislation.





Independent Audit Report to the members of Dapto Citizens Bowling Club Limited

Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Report for the year ended 31 May 2019, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Club'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 Club 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



Independent Audit Report to the members of Dapto Citizens Bowling Club Limited

We communicate with those charged with governance 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.

Daley Audit

Daley Audit

Michael Mundt

Michael Mundt
Partner

Wollongong

23 July 2019

Liability limited by a Scheme approved under Professional Standards Legislation.