

ARMIDALE CITY BOWLING CLUB LIMITED
ABN 97 001 036 504

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2020

Your directors present their report on the company for the financial year ended 30 June 2020.

Principal Activities

The principal activities of the Armidale City Bowling Club Limited ("the Club") during the financial year was the operation of a Registered Bowling Club. The principal objective of the club has been, and will continue to be, to provide our guests with professional hospitality services and amenities, as well as, supporting and developing our local community.

We believe that to remain viable and competitive there is a need to instil a sense of direction and purpose in our employees, which not only encompasses the needs of members but also the long term needs and aspirations of associated interest groups within the wider community. It is our desire to encourage employees to confidently identify and make management aware of community organisations that may benefit from the club's assistance.

Vision: To be regarded as leaders within our industry, whilst servicing the needs of members, their guests and the wider community.

To be active in the development, fostering and promotion of the game of lawn bowls.

Providing turnover, cash flow and profit to meet the financial objectives of the company through providing entertainment, dining, gaming and social facilities for members and their guests.

Short Term Objectives of the Company

The company has identified the following short term objectives:

- Maintain the financial viability of the company through routine monitoring and control, by comparison and benchmarking within the Club industry and through Key Performance Indicators (KPIs).
- To provide members with services and facilities that meet or exceed their expectations.
- Maintain the company support to the local community through financial support and provision of facilities to assist with fundraising opportunities.
- Monitor staff/director development and provide training to enhance career advancement; and complete the rejuvenation of Club facilities through trading cash flow.
- Facilitate a Club culture that is committed to four core aspects of Club operation: entertainment, people, stewardship and community.
- Directors must show transparency by presenting financial reports through member's notice board.

Long Term Objectives of the Company

The company has identified the following long term objectives:

- Promote and maintain the heritage and foundation principles of the Club.
- Continued application of the Principles of Good Corporate Governance.
- Maintain relevance and long term sustainability of the Club in the Community.
- The Armidale City Bowling Club will be recognised as leaders in upholding the standards of excellence expected within our industry.
- Continue to be a market leader and early adopter in the business and hospitality industry.
- Foster an organisation that is committed to a values based culture and passionate about delivering professional hospitality services.
- Directors will adhere to the guidelines set down in the Clubs strategic business plan by using a SWOT analysis and decision making matrix to identify potential risks to members funds ensuring that members are informed of future developments by way of public announcements and financial reports.
- Consider diversification of business operations and prudent levels of debt with maintenance of profitability and cash flows.
- Grow the Clubs operations in accordance with member's interests.
- The Clubs Workplace Health and Safety, Employment and Environment policies must be reviewed by independent external regulatory bodies.

The company has adopted the following strategies for achievement of these short and long term objectives:

- The preparation of an annual budget for a growth in financial performance that will include the calculation of EBITDARD. Each month the management and directors regularly review the Club's performance against the budget.
- Directors will adhere to the guidelines set down in the Clubs strategic business plan by using a SWOT analysis and decision making matrix to identify potential risks to members funds. Use a range of industry-based KPIs.
- The review of the company compliance with workplace health and safety and compliance with employment law including the Fair Work Act.
- Directors will review our Clubs constitution and procedural manuals to ensure that they are in line with industry standards and members expectations.
- To be environmentally responsible in the use of electricity, water and waste.

Performance Measurement

To achieve the objectives, the Club has developed the following strategies:

- Development of 5 year and 10 year strategic plans covering the following key areas of business planning to ensure financial viability: Property Masterplan, Services and Facilities, Food Operation, Gaming Operation, Entertainment, Promotional Activity, Marketing Strategy, Membership Communication, Staff Development and Succession Planning for Management and Directors.
- Maximising the financial returns from the company's investments to ensure ongoing success and best use of resources.
- Investment and education of key personnel and the Board in good corporate governance to ensure the Board is exercising their duties as a Director responsibly, ethically and in the best interests of the Club as a whole.
- Maintaining and nurturing a Club culture focused on our customers, our staff, our community and our values.

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2020

Disruption of trade COVID-19

During the year the World Health Organisation declared a global pandemic. As a result the Australian Government imposed strict restrictions on Registered Clubs imposing a forced closure. These restrictions were eased in June 2020.

The Armidale City Bowling Club Ltd was unable to trade between 23 March 2020 and 1 June 2020.

Directors Information

Directors

The names of the directors in office at any time during, or since the end of, the year and the period that each director has been in office:

Directors Name	Special Responsibilities	Period as Director	Qualifications and Experience
Richard Kembrey	President	5 years	Club Directors Institute Member Retired Business Owner
Gloria Gay Riordan	Director	5 years	Club Directors Institute Member Retired accounts and administration
Cheryl Ogilvie	Director	5 years	Club Directors Institute Member Retired Accounts supervisor
Terrence Ogilvie	Director	19 years	Club Directors Institute Member, Directors Foundation and Management, Responsible Service of Alcohol and Responsible Conduct of Gaming. Retired Builder/Carpenter
Marie Knight	Director	4 years	Club Directors Institute Member Retired
Andrew Carey	Director	4 years	Club Directors Institute Member
Wayne Cannon	Director	3 years	Taxation Accountant Club Directors Institute Member

Company Secretary

Walter Sauer was appointed as the Company Secretary on 23 July 2018.

Meetings of Directors

During the financial year, 14 meetings of directors were held and the attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Richard Kembrey	14	13
Gloria Gay Riordan	14	13
Cheryl Ogilvie	14	12
Terrence Ogilvie	14	12
Marie Knight	14	13
Andrew Carey	14	13
Wayne Cannon	14	13

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2020

Membership Details

The company is incorporated as a company limited by guarantee that requires the members of the company to contribute \$3 per member towards the company liabilities on the winding up of the company. These membership numbers are at 30 June 2020.

Membership Class	Number of Members	Individual Members Contribution on winding up of Company	Total Members Contribution on winding up of Company
Playing members	70	\$ 3	\$ 210
Life members	5	\$ 3	\$ 15
Social members	4,338	\$ 3	\$ 13,014
Total	4,413	\$ 3	\$ 13,239

Auditors' Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to these financial statements.

Signed in accordance with a resolution of the Board of Directors



Richard Kembrey
President

Dated: 29 July 2020



Gloria Gay Riordan
Director

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATION ACT 2001
TO THE DIRECTORS OF
ARMIDALE CITY BOWLING CLUB LTD**

ABN 97 001 036 504

I declare that, to the best of my knowledge and belief, during the financial year to 30 June 2020 there have been:

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

CROWE CENTRAL NORTH



Kylie Ellis
Audit Partner
Registered Company Auditor (ASIC RAN 483424)
90 Rusden St
ARMIDALE NSW 2350

Dated: 29 July 2020

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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

	Note	2020 \$	2019 \$
Revenue	2	5,188,086	5,782,253
Other Income	3	50,285	(92,822)
Interest revenue calculated using the effective interest method	2	5,389	21,394
Administration expenses		(219,671)	(249,020)
Advertising and promotion expenses		(94,471)	(125,037)
Cost of goods sold		(942,241)	(1,121,685)
Depreciation expense		(922,031)	(956,084)
Employee benefits expense		(2,110,815)	(2,208,059)
Gaming expenses		(509,688)	(561,597)
Members amenities and entertainment		(227,580)	(314,749)
Occupancy expenses		(442,917)	(483,647)
Other expenses		(159,908)	(165,240)
(Loss)/profit before income tax expense		<u>(385,561)</u>	<u>(474,293)</u>
Income tax expense	1(b)	<u>-</u>	<u>-</u>
(Loss)/profit after income tax expense		<u>(385,561)</u>	<u>(474,293)</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income attributable to members of the entity		<u>(385,561)</u>	<u>(474,293)</u>

ARMIDALE CITY BOWLING CLUB LIMITED
ABN 97 001 036 504

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	982,195	731,276
Trade and other receivables	6	130,305	80,124
Inventories	7	63,198	77,863
Financial assets	8	250,000	250,000
Other current assets	9	86,461	40,787
TOTAL CURRENT ASSETS		1,512,159	1,180,050
NON CURRENT ASSETS			
Financial assets	8	5,000	5,000
Property, plant and equipment	10	5,879,940	6,425,731
Right-of-use assets	13	40,772	-
Investment property	11	12,244	12,682
Intangible assets	12	393,000	393,000
TOTAL NON CURRENT ASSETS		6,330,956	6,836,413
TOTAL ASSETS		7,843,115	8,016,463
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	344,267	234,142
Borrowings	15	500,421	502,462
Lease liabilities	19	8,052	-
Provisions	16	275,494	264,048
Contract liabilities	18	100,507	-
Other liabilities	17	13,141	54,235
TOTAL CURRENT LIABILITIES		1,241,882	1,054,887
NON CURRENT LIABILITIES			
Lease liabilities	19	33,144	-
Provisions	16	35,716	43,642
TOTAL NON CURRENT LIABILITIES		68,860	43,642
TOTAL LIABILITIES		1,310,742	1,098,529
NET ASSETS		6,532,373	6,917,934
EQUITY			
Retained earnings		6,532,373	6,917,934
TOTAL EQUITY		6,532,373	6,917,934

The accompanying notes form part of these financial statements.

ARMIDALE CITY BOWLING CLUB LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Retained Earnings \$	Total \$
Balance at 1 July 2018	7,392,227	7,392,227
(Loss)/profit after income tax expense	(474,293)	(474,293)
Total other comprehensive income for the year	-	-
Balance at 30 June 2019	<u>6,917,934</u>	<u>6,917,934</u>
(Loss)/profit after income tax expense	(385,561)	(385,561)
Total comprehensive income for the year	-	-
Balance at 30 June 2020	<u>6,532,373</u>	<u>6,532,373</u>

ARMIDALE CITY BOWLING CLUB LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		5,629,408	6,350,668
Payments to suppliers and employees		(5,056,761)	(5,811,462)
Interest received		5,408	21,395
Net cash provided by operating activities		578,055	560,601
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		76,840	31,091
Purchase of property, plant and equipment		(398,719)	(2,592,225)
Receipt from investments		-	(250,000)
Net cash used in investing activities		(321,879)	(2,811,134)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		500,000	502,462
Repayment of borrowings		(505,257)	-
Net cash (used in) provided by financing activities		(5,257)	502,462
Net increase in cash held		250,919	(1,748,071)
Cash at the beginning of the financial year		731,276	2,479,347
Cash at the end of the financial year	5 (a)	982,195	731,276

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements cover Armidale City Bowling Club Limited ("the Club") as an individual entity. Armidale City Bowling Club Limited is a public company limited by guarantee, incorporated and domiciled in Australia.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1 (m).

The financial statements were authorised for issue on 29 July 2020 by the directors of the company.

Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Revenue

Revenue from Contracts with Customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of Goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of Services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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

Rent

Rent revenue from the residential house is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Volunteer services

The company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

All revenue is stated net of the amount of goods and services tax (GST).

(b) Income Tax

No provision for income tax has been raised as the entity is exempt from paying income tax under Div. 50 of the Income Tax Assessment Act 1997.

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchange or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled with 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(d) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

(e) Property, Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and equipment	10 - 30%
Furniture, fixtures and fittings	2.5 - 30%
Greens construction	2.5 - 20%
Poker Machines	10 - 30%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

(f) Investments and Other Financial Assets

Initial recognition and measurement

Investments and other financial assets, other than investments in associates, are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

(g) Intangibles

Poker Machine Entitlements

Poker machine entitlements shown in the financial statements represent licences purchased by the company and are initially recognised at cost. As they are considered an indefinite life intangible asset, they are not amortised and are subsequently measured at cost less any impairment. The company also holds other poker machine entitlements that potentially have a market value that are not recognised within the financial statements. If the company were to be wound up or the number of entitlements were in excess of the company's requirements, the poker machine entitlements would be able to be sold at the prevailing market price.

(h) Impairment of Non-financial Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value of its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the receivable amount of the cash-generating unit to which the asset belongs.

(i) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(k) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government or commercial bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(l) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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

Commitments and contingencies are disclosed on a gross basis.

(m) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Key Judgement - Revenue from contracts with customers

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

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

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1 (k), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(n) Changes in accounting policy, disclosures, standards and interpretations

New and amended standards and interpretations

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 15 Revenue from Contracts with Customers

The company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an company shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an company's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the company's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

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

AASB 16 Leases

The company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

When adopting AASB 16 from 1 July 2019, the company has applied the following practical expedients:

- on transition, the weighted average incremental borrowing rate applied to lease liabilities was 6.15%;
- accounting for leases with a remaining lease term of 12 months as at 1 July 2019 as short-term leases;
- excluding any initial direct costs from the measurement of right-of-use assets;
- using hindsight in determining the lease term when the contract contains options to extend or terminate the lease; and
- not apply AASB 16 to contracts that were not previously identified as containing a lease.

AASB 1058 Income of Not-for-Profit Entities

The company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

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

Impact of Adoption

AASB 15, AASB 16 and AASB 1058 have all been adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

The new Standards have been applied using the modified retrospective approach, with the cumulative effect of adopting AASB 15, AASB 16 and AASB 1058 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

	Carrying amount at 30 June 2019	Reclassification	Remeasurement	AASB 16 Carrying amount at 1 July 2019
	\$	\$	\$	\$
Right-of-use assets	-	44,412	-	44,412
Contract liabilities	-	(88,276)	-	(88,276)
Other current liabilities	(54,235)	31,058	-	(23,177)
Lease liabilities	-	(44,412)	-	(44,412)
Provisions	(264,048)	57,218	-	(206,830)
Total	(318,283)	-	-	(318,283)

The following is a reconciliation of total operating lease commitments at 30 June 2019 (as disclosed in the financial statements to 30 June 2019) to the lease liabilities recognised at 1 July 2019:

	\$	\$
Total operating lease commitments disclosed at 30 June 2019		-
Recognition exemptions:	-	
Leases of low value assets	-	
Lease with remaining lease terms of less than 12 months	-	
Variable lease payments not recognised	-	
Other minor adjustments relating to commitment disclosures	-	
		-
Operating lease liabilities before discounting		-
Discounted using the incremental borrowing rate		34,447
Operating lease liabilities		34,447
Reasonably certain extension options		-
Finance lease obligations (Note 12)		-
Total lease liabilities recognised under AASB 16 at 1 July 2019		34,447

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

(o) Accounting Policies, Changes in Accounting Estimates and Errors

During the course of audit a review was conducted over the dissection of items in the Statement of Profit or Loss and Other Comprehensive Income to ensure relevance. As a result of this review and in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors the prior period accounts have been restated. What follows is the effect of the restatement.

	Original 2019 \$	Effect of Restatement \$	Restated 2019 \$
Revenue	2,748,871	3,033,382	5,782,253
Other income	3,059,313	(3,152,135)	(92,822)
Interest revenue calculated using the effective interest method	-	21,394	21,394
Administration expenses	(1,150,131)	901,111	(249,020)
Advertising and promotion expenses	-	(125,037)	(125,037)
Bowls expenses	(142,688)	142,688	-
Cost of goods sold	(1,105,503)	(16,182)	(1,121,685)
Depreciation expenses	-	(956,084)	(956,084)
Direct bar and bistro expenses	(1,454,921)	1,454,921	-
Employee benefits expense	57,045	(2,265,104)	(2,208,059)
Gaming expenses	(864,188)	302,591	(561,597)
General maintenance	(58,710)	58,710	-
Insurance	(84,301)	84,301	-
Members amenities and entertainment	-	(314,749)	(314,749)
Motor vehicle expenses	(11,975)	11,975	-
Occupancy expenses	-	(483,647)	(483,647)
Operations	(1,008,413)	1,008,413	-
Other expenses	-	(165,240)	(165,240)
Promotions	(413,127)	413,127	-
Sponsorship and donations	(45,565)	45,565	-
(Loss)/profit after income tax expense	(474,293)		(474,293)

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

Note	2020 \$	2019 \$
Note 2: Revenue		
Revenue from contracts with customers		
Bar trading	904,982	1,274,152
Bistro trading	1,139,070	1,483,187
Membership subscriptions	23,556	23,944
Poker machine trading	2,524,059	2,601,236
Tab and Keno commission	81,793	98,282
Sporting activities	12,916	17,689
Sponsorships and donations	19,353	33,568
Room and equipment hire	50,471	85,246
Raffles revenue	99,768	121,463
ATM commission	26,483	21,721
Other revenue	1,552	2,945
Total revenue from contracts with customers	<u>4,884,003</u>	<u>5,763,433</u>
Other revenue:		
Government stimulus - jobkeeper	291,000	-
Interest received from other persons	5,389	21,394
Rental revenue for property investment	5,070	6,630
Other revenue	8,013	12,190
Total revenue from non-operating activities	<u>309,472</u>	<u>40,214</u>
Total revenue	<u>5,193,475</u>	<u>5,803,647</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Timing of revenue recognition

Goods transferred at a point in time	4,665,166	-
Service transferred over time	218,837	-
	<u>4,884,003</u>	<u>-</u>

AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been provided for disaggregation of revenue.

Note 3: Other Income

Profit/(loss) on sale of assets	50,285	(92,822)
	<u>50,285</u>	<u>(92,822)</u>

Note 4: Expenses

Profit before income tax includes the following specific expenses:

Cost of sales	942,241	1,121,685
Depreciation	922,031	956,084
Electricity	120,270	145,134
Insurance	99,540	94,660
Promotions	83,463	107,700
Superannuation	157,401	188,622
Wages	1,657,364	1,996,154

ARMIDALE CITY BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Note 5: Cash and Cash Equivalents			
Cash on hand		231,318	221,474
Cash at bank		736,152	505,185
Deposits at call		14,725	4,617
		982,195	731,276
 (a) Reconciliation of cash and cash equivalents			
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:			
Balances as above		982,195	731,276
		982,195	731,276
 Note 6: Trade and Other Receivables			
CURRENT			
Trade receivables		46,305	80,124
Other receivables		84,000	-
		130,305	80,124
 Note 7: Inventories			
CURRENT			
Bar - trading stock		39,476	45,034
Bistro - trading stock		23,722	32,829
		63,198	77,863
 Note 8: Financial assets			
Held-to-maturity financial assets		255,000	255,000
		255,000	255,000
Less non-current portion		(5,000)	(5,000)
Current portion		250,000	250,000
 (a) Held-to-maturity financial assets comprise:			
- term deposits		255,000	255,000
Held-to-maturity assets comprise term deposits and accrued interest with financial institutions. There are fixed rate returns upon maturity of these assets.			
 Note 9: Other Assets			
CURRENT			
Accrued Interest		14	33
Prepayments		86,447	40,754
		86,461	40,787

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

	Note	2020 \$	2019 \$
Note 10: Property, Plant & Equipment			
Land and Buildings			
Freehold land		<u>85,757</u>	<u>85,757</u>
Buildings (at cost)		<u>6,305,426</u>	<u>6,179,129</u>
Less: Accumulated depreciation		<u>(2,414,779)</u>	<u>(2,222,933)</u>
		<u>3,890,647</u>	<u>3,956,196</u>
Bowling greens (at cost)		<u>124,051</u>	<u>124,051</u>
Less: Accumulated depreciation		<u>(77,928)</u>	<u>(74,323)</u>
		<u>46,123</u>	<u>49,728</u>
Total Land and Buildings		<u>4,022,527</u>	<u>4,091,681</u>
Plant, Equipment & Fittings (at cost)			
Plant and equipment		<u>2,393,560</u>	<u>2,505,750</u>
Less: Accumulated depreciation		<u>(1,571,535)</u>	<u>(1,420,679)</u>
		<u>822,025</u>	<u>1,085,071</u>
Furniture, fixture and fittings		<u>885,505</u>	<u>975,787</u>
Less: Accumulated depreciation		<u>(524,614)</u>	<u>(504,076)</u>
		<u>360,891</u>	<u>471,711</u>
Greens lighting		<u>19,498</u>	<u>19,498</u>
Less: Accumulated depreciation		<u>(19,498)</u>	<u>(19,498)</u>
		<u>-</u>	<u>-</u>
Plant and equipment - greens		<u>104,541</u>	<u>104,541</u>
Less: Accumulated depreciation		<u>(89,009)</u>	<u>(84,427)</u>
		<u>15,532</u>	<u>20,114</u>
Bowling Greens - greens, shed and toilet block		<u>14,822</u>	<u>14,822</u>
Less: Accumulated depreciation		<u>(11,416)</u>	<u>(11,045)</u>
		<u>3,406</u>	<u>3,777</u>
Poker Machines		<u>2,275,975</u>	<u>2,327,916</u>
Less: Accumulated depreciation		<u>(1,645,525)</u>	<u>(1,605,445)</u>
		<u>630,450</u>	<u>722,471</u>
Motor Vehicles		<u>52,273</u>	<u>52,273</u>
Less: Accumulated depreciation		<u>(27,164)</u>	<u>(21,367)</u>
		<u>25,109</u>	<u>30,906</u>
Total Plant, Equipment and Fittings		<u>1,857,413</u>	<u>2,334,050</u>
Total Property, Plant and Equipment		<u>5,879,940</u>	<u>6,425,731</u>

ARMIDALE CITY BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note	2020 \$	2019 \$
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(a) Movements in carrying amounts

Movements in carrying amount 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 \$	Total \$
Balance at the beginning of the year	4,091,681	2,334,050	6,425,731
Additions	135,429	259,650	395,079
Disposals	(1,711)	(20,768)	(22,479)
Depreciation expense	<u>(202,872)</u>	<u>(715,519)</u>	<u>(918,391)</u>
Carrying amount at the end of the year	<u>4,022,527</u>	<u>1,857,413</u>	<u>5,879,940</u>

(b) No impairment has been recognised in respect of property plant and equipment.

(c) There is a registered mortgage over all fixed assets of the company held by Regional Australia Bank.

Note 11: Investment Property

Buildings (at cost)	35,420	35,420
Less: Accumulated depreciation	<u>(23,176)</u>	<u>(22,738)</u>
	<u>12,244</u>	<u>12,682</u>

Investment property relates to the building held at 96 Taylor Street, Armidale.

The investment property is rented on a week by week basis to a long term tenant. Weekly rental payments are \$130/week. The lease has been classified as an operating lease.

Note 12: Intangible Assets

Poker machine entitlements (at cost)	393,000	393,000
Less: accumulated impairment losses	<u>-</u>	<u>-</u>
	<u>393,000</u>	<u>393,000</u>

Poker Machine Entitlements

Poker machine entitlements are assessed as having an indefinite useful life. The measurement and recognition criteria is outlined in Note 1 to the financial statements.

Poker machine entitlements have been impairment tested using calculations of the higher of fair value, less costs to realise, and value in use. The directors believe that the carrying amount of poker machine entitlements are not impaired and annual impairment testing was conducted at 30 June 2020.

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

Note	2020 \$	2019 \$
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Note 13: Right-of-use assets

Plant and equipment	44,412	-
Less: Accumulated depreciation	<u>(3,640)</u>	<u>-</u>
Total Right-of-use assets	<u>40,772</u>	<u>-</u>

(a) Movements in carrying amounts

	Plant and Equipment \$	Total \$
Balance at the beginning of the year	-	-
Adjustment on adoption of AASB 16	44,412	44,412
Additions	-	-
Disposals	-	-
Depreciation expense	<u>(3,640)</u>	<u>(3,640)</u>
Carrying amount at the end of the year	<u>40,772</u>	<u>40,772</u>

The company has lease contracts for items of office equipment used in its operations. Leases of office equipment generally have lease terms between 3 and 5 years. The lease contracts include extension and termination options.

The company also has certain leases of equipment with lease terms of 12 months or less and leases of equipment with low value. The company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

ARMIDALE CITY BOWLING CLUB LIMITED
ABN 97 001 036 504

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

	Note	2020 \$	2019 \$
Note 14: Trade and Other Payables			
CURRENT			
Unsecured liabilities:			
Trade payables		60,861	92,289
Sundry payables and accrued expenses		<u>283,406</u>	<u>141,853</u>
		<u>344,267</u>	<u>234,142</u>
Note 15: Borrowings			
CURRENT			
Secured liabilities:			
Bank loan		<u>500,421</u>	<u>502,462</u>
<p>The Club has 2 Visa Cards with Community Mutual Group. These have a combined limit of \$20,000. At balance date the unused portion of this facility is \$20,000.</p> <p>The Club has a \$500,000 secured loan with Regional Australia Bank. The loan is secured by a charge over the club assets. At balance date the facility was fully drawn.</p>			
Note 16: Provisions			
CURRENT			
Provision for employee benefits		275,494	206,829
Provision for poker machine jackpots		<u>-</u>	<u>57,219</u>
		<u>275,494</u>	<u>264,048</u>
NON-CURRENT			
Provision for employee benefits		<u>35,716</u>	<u>43,642</u>
(a) Aggregate employee benefits liability		<u>311,210</u>	<u>250,471</u>
Provision for employee benefits			
<p>A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.</p>			
Note 17: Other Liabilities			
CURRENT			
Subscriptions received in advance		-	31,058
Other liabilities		<u>13,141</u>	<u>23,177</u>
		<u>13,141</u>	<u>54,235</u>

ARMIDALE CITY BOWLING CLUB LIMITED
ABN 97 001 036 504

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

Note	2020 \$	2019 \$
Note 18: Contract Liabilities		
CURRENT		
Poker machine jackpot liability	71,802	-
Subscriptions received in advance	28,705	-
	100,507	-
Note 19: Lease liabilities		
CURRENT		
Lease liabilities	8,052	-
	8,052	-
NON-CURRENT		
Lease liabilities	33,144	-
	33,144	-
Total lease liabilities	41,196	-

Note 20: Capital Commitments

As at 30 June 2020, the company had not engaged in any capital commitments.

Note 21: Events After the End of the Reporting Period

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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

Note 22: Related Party Transactions

Key Management Personnel

The totals of remuneration paid to key management personnel (KMP) during the year are as follows;

Key management personnel compensation	163,360	226,614
No. of key management personnel	8	11

Other 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.

Note 23: Company Details

The club is incorporated and domiciled in Australia as a company limited by guarantee.

The registered office and principal place of business is:

Armidale City Bowling Club Ltd
 92-96 Dumaresq Street
 ARMIDALE NSW 2350

ARMIDALE CITY BOWLING CLUB LIMITED
ABN 97 001 036 504

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2020

In the directors' opinion

1. The attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. The attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
3. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors by:



Richard Kembrey
Director



Gloria Gay Riordan
Director

Dated: 29 July 2020

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ARMIDALE CITY BOWLING CLUB LTD**

ABN 97 001 036 504

Opinion

We have audited the financial report of Armidale City Bowling Club Ltd (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of 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 the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (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 opinion.

Emphasis of Matter

We draw attention to Note 21 of the financial statements, which describes the effects of the World Health Organisation's declaration of a global health emergency relating to the spread of COVID-19. Our opinion is not modified in respect of this matter.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ARMIDALE CITY BOWLING CLUB LTD**

ABN 97 001 036 504

Other Information

The directors are responsible for the other information. The other information comprises the information contained in the Company's Directors Report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – 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 ability of the Company 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

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.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Central North, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for acts or omissions of financial services licensees.
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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ARMIDALE CITY BOWLING CLUB LTD**

ABN 97 001 036 504

- 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.
- 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 the audit.

CROWE CENTRAL NORTH



Kylie Ellis
Audit Partner
Registered Company Auditor (ASIC RAN 483424)
90 Rusden St
ARMIDALE NSW 2350

Dated: 13 August 2020

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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**DISCLAIMER
TO THE MEMBERS OF
ARMIDALE CITY BOWLING CLUB LTD**

ABN 97 001 036 504

The additional financial data presented on pages 30 - 35 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the company for the financial year ended 30 June 2020. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Armidale City Bowling Club Ltd) in respect of such data, including any errors of omissions therein however caused.

CROWE CENTRAL NORTH



Kylie Ellis
Audit Partner
Registered Company Auditor (ASIC RAN 483424)
90 Rusden St
ARMIDALE NSW 2350

Dated: 13 August 2020

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ARMIDALE CITY BOWLING CLUB LIMITED
ABN 97 001 036 504

DETAILED TRADING STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
Bar Trading		
Bar sales	<u>1,008,961</u>	<u>1,389,394</u>
Total sales	<u>1,008,961</u>	<u>1,389,394</u>
Less: Cost of Goods Sold		
Freight - bar	578	207
Purchases - bar	5,712	5,828
Purchases - café	37,948	59,434
Purchases - cigarettes	19,549	18,148
Purchases - gas cylinders	4,590	4,297
Purchases - heavy beer	248,199	289,476
Purchases - light beer	14,874	17,593
Purchases - soft drink	34,294	42,558
Purchases - spirits	41,525	52,036
Purchases - wine	39,446	41,836
Stock movement for the year	<u>5,558</u>	<u>13,173</u>
Total cost of goods sold	<u>452,273</u>	<u>544,586</u>
Gross profit from bar trading	<u>556,688</u>	<u>844,808</u>
Gross profit percentage to sales	<u>55.17%</u>	<u>60.80%</u>
Less: Direct Expenses		
Depreciation	18,132	23,670
Glass replacement	2,157	2,107
Repairs and maintenance	3,765	461
Uniforms	4,316	3,708
Wages	423,519	532,083
Waste	<u>4,658</u>	<u>1,165</u>
Total direct expenses	<u>456,547</u>	<u>563,194</u>
Net profit from bar trading	<u>100,141</u>	<u>281,614</u>

ARMIDALE CITY BOWLING CLUB LIMITED
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DETAILED TRADING STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
Bistro		
Bistro sales	610,412	766,498
Banquet sales	415,255	592,979
	<u>1,025,667</u>	<u>1,359,477</u>
Cost of goods sold	<u>(472,710)</u>	<u>(560,917)</u>
Gross Profit	<u>552,957</u>	<u>798,560</u>
Less: Direct expenses		
Advertising	4,893	5,260
Cleaning materials	9,644	8,327
Electricity	33,540	40,486
Freight	-	64
Gas	19,624	25,304
Hire of equipment	734	-
Insurance - workers compensation	10,359	10,359
Promotions	9,440	19,823
Repairs and maintenance	3,918	6,243
Staff expenses	2,251	1,695
Staff training	900	-
Superannuation	56,248	67,704
Uniforms	-	47
Wages	397,551	423,641
Wages - banquet	200,996	264,815
Waste	12,600	13,734
Waste disposal	3,697	4,225
	<u>766,395</u>	<u>891,727</u>
Total direct expenses	<u>766,395</u>	<u>891,727</u>
Net (loss)/profit from bistro operations	<u>(213,438)</u>	<u>(93,167)</u>
Poker Machines		
Poker machine takings	2,521,462	2,588,342
GST rebate	17,180	17,180
	<u>2,538,642</u>	<u>2,605,522</u>
Less: Poker machine expenses		
CMS - monitoring fees	30,032	33,194
Depreciation	300,234	315,681
Maintenance contracts	30,281	38,995
Megabucks	14,583	4,286
Parts	2,248	1,652
Poker machine tax	384,151	415,075
Promotions	10,981	23,686
Wages	15,094	19,272
	<u>787,604</u>	<u>851,841</u>
Total direct expenses	<u>787,604</u>	<u>851,841</u>
Gross profit from poker machines	<u>1,751,038</u>	<u>1,753,681</u>

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DETAILED TRADING STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
Keno		
Keno Income	63,112	68,694
Less: Keno expenses	<u>(6,661)</u>	<u>(7,455)</u>
Net profit	<u>56,451</u>	<u>61,239</u>
TAB		
TAB Income	18,781	29,011
Less: TAB expenses	<u>(3,387)</u>	<u>(4,892)</u>
Net profit	<u>15,394</u>	<u>24,119</u>
Rental Operations		
Rent received	5,070	6,630
Less: Direct expenses		
Depreciation - buildings	438	438
Rates - municipal	2,488	2,378
Rates - water	312	462
Repairs and maintenance	<u>630</u>	<u>-</u>
Total direct expenses	<u>3,868</u>	<u>3,278</u>
Net profit from rental operations	<u>1,202</u>	<u>3,352</u>
ACBC Community Assistance		
Proceeds - community assistance	<u>9,424</u>	<u>8,469</u>
Held for community assistance	<u>9,424</u>	<u>8,469</u>

ARMIDALE CITY BOWLING CLUB LIMITED
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DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
Income		
Net profit/(loss) from trading:		
Bar net profit	100,141	281,614
Poker Machines gross profit	1,751,038	1,753,681
Bistro net (loss)/profit	(213,438)	(93,167)
Keno net profit	56,451	61,239
TAB net profit	15,394	24,119
Rental property profit	1,202	3,352
Held for community assistance	9,424	8,469
ATM/ snack commission	26,483	21,721
Bowls income	18,118	27,829
Community Partnership Account	4,228	4,570
Environmental levy	18	20
Hire of facilities	50,471	85,246
Insurance recoveries	8,054	826
Interest received - cash management	738	10,613
Interest received - investments	4,652	10,781
Members subscriptions	23,556	23,944
Raffles	98,334	118,924
Sponsorship income	19,353	33,568
Jobkeeper income	291,000	-
Vending machine income	1,552	2,945
Total Income	2,266,769	2,380,294
Expenditure		
<u>Bowls & Greens Expenses</u>		
Bowling club expenses	6,404	11,236
Bowling greens maintenance	28,655	18,755
Bowling pennant team expenses	20,961	10,668
Bowling trophies and prizes	16,638	13,243
Capitation fees - bowls	7,465	8,008
Greens superannuation	5,389	6,764
Greens wages	63,130	74,014
	148,642	142,688
<u>General Maintenance</u>		
Cleaning materials	24,520	27,397
First aid supplies	662	387
Garden and grounds	6,986	140
Laundry	21,214	30,247
Pest control	475	539
	53,857	58,710

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DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
<u>Administration Expenses</u>		
Accommodation	2,323	1,372
Administration wages	406,659	520,380
Bad debt expenses	1,873	-
Bank charges	562	2,659
Bank charges EFTPOS	15,807	17,926
Cleaning wages	109,217	131,852
Computer fees and programs	35,283	36,533
Conference expenses	12,370	8,871
Consultants fees	1,369	19,488
Directors fees	18,750	18,400
Freight	3,466	3,127
Internet expenses	1,465	1,464
Jobkeeper wages	169,565	-
Lease interest	1,075	-
Licences and fees	7,945	12,204
Payroll tax	59,225	74,439
Postage	1,066	1,871
Printing and stationery	13,216	24,184
Professional fees	27,240	20,501
Room hire wages	41,198	30,097
Staff expenses	18,627	23,554
Subscriptions	26,230	41,123
Superannuation	95,764	114,154
Taxes, fees and charges	36,871	30,732
Telephone and fax	19,628	13,066
Travelling expenses	313	-
Uniforms	2,205	2,134
	<u>1,129,312</u>	<u>1,150,131</u>
<u>Employee Provisions</u>		
Provision for annual leave	41,859	(34,935)
Provision for long service leave	18,879	(22,110)
	<u>60,738</u>	<u>(57,045)</u>
<u>Insurance</u>		
Insurance - general and building	55,954	49,765
Insurance - GST free	6,761	5,869
Insurance - workers compensation	26,466	28,667
	<u>89,181</u>	<u>84,301</u>
<u>Motor Vehicle</u>		
Depreciation- motor vehicle	5,796	5,794
Motor vehicle running expenses	5,673	6,181
	<u>11,469</u>	<u>11,975</u>

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DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
Operations		
Depreciation - buildings	199,267	196,664
Depreciation - furniture and fittings clubhouse	108,379	128,480
Depreciation - greens	3,605	5,810
Depreciation - greens shed and toilet	371	437
Depreciation - plant and equipment	285,809	279,110
Electricity	86,730	104,648
Gas	9,745	11,412
Loss on sale of assets	(50,285)	92,822
Lighting replacement	380	268
Rates - municipal	40,538	38,601
Rates - water	6,898	8,254
Repairs and maintenance - air conditioning	1,153	4,523
Repairs and maintenance - buildings	13,590	10,690
Repairs and maintenance - equipment	52,617	80,414
Security monitor	30,596	30,473
Waste disposal	14,834	12,529
	<u>804,227</u>	<u>1,005,135</u>
Promotions		
Advertising	19,227	24,275
Bingo expenses	23,688	39,025
Catering expenses - general	-	1,771
Club functions	13,067	21,890
Entertainment - general	37,547	53,409
Entertainment - live bands	34,722	49,042
Hire of equipment	5,260	6,310
Members expenses - cash draws	13,586	8,432
Members expenses - directors	11,798	4,987
Members expenses - draws	1,250	4,649
Members expenses - floral tributes	145	209
Members expenses - stationery	9,138	7,008
Promotions	63,042	64,191
Raffle expenses	86,572	127,929
	<u>319,042</u>	<u>413,127</u>
Sponsorships and Donations		
Donations	4,761	18,392
Sponsorships	31,101	27,173
	<u>35,862</u>	<u>45,565</u>
Total Expenditure	<u>2,652,330</u>	<u>2,854,587</u>
Net Operating (Loss)/Profit before Income Tax Expense	<u>(385,561)</u>	<u>(474,293)</u>