

BLACK HEAD BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 18 001 038 606
DIRECTORS' REPORT

Your Directors present their report on the Company for the financial year ended 30th June, 2019.

DIRECTORS

The names of Directors in office at anytime during or since the end of the year are:

B.S. Grant (Appointed 25/11/18), K.M. Clarke (Appointed 25/11/18), M. Bartlett, G.G. Morris, C. Clark (Appointed 25/11/18), B.T. Lynch (Appointed 25/11/18), D.W. Ruddock (Appointed 19/12/18), D. Heaps (Appointed 26/05/19; Retired 25/11/18), J.A. McDonell (Resigned 21/01/19), G.J. Ball (Resigned 4/12/18), A.R. Phair (Retired 25/11/18), P. Jackson (Retired 25/11/18), J.F. Ashton (Deceased 26/10/18).

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

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was that of conducting a licensed Bowling Club and maintaining bowling greens and clubhouse for members. No significant change in the nature of those activities has occurred during the year.

SHORT TERM OBJECTIVES

The Company's short-term objectives include:

- To continue to promote and conduct the game of bowls and such other sports, games, amusements, recreation, entertainments and pastimes, indoor and outdoor, as the Club shall deem expedient;
- Maintaining strong financial growth and profitability in all areas of operations;
- To be recognised as a fun and friendly, family orientated entertainment and sporting venue;
- To be recognised as a leader in the community through its community activities and community partnerships.

LONG TERM OBJECTIVES

The Company's long-term objectives include:

- To expand the Club house to enable the provision of more facilities;
- To continue to build membership in line with population increases;
- To continue to promote and conduct the game of bowls and such other sports, games, amusements, recreation, entertainments and pastimes, indoor and outdoor, as the Club shall deem expedient;
- To maintain and continually update the gaming area including up to date machines and facilities;
- The provision of bar products which appeal to club patrons;
- To work with local sporting and other bodies to assist the local community and encourage utilisation of the Club facilities;
- To maintain and update facilities to provide a comfortable and pleasant environment for Club patrons;
- Continually monitor financial performance in comparison to budgets and targets.

MEASUREMENT OF PERFORMANCE

The Company measures its performance by reviewing financial results compared to budget including monitoring gross profit margins, wages as a percentage of sales and the net profit of the Company. These reviews are performed monthly by the board of Directors and management.

DIRECTORS' REPORT CONTINUED

OPERATING RESULTS

The profit\loss for the year was a loss of (\$50795) [2018: (\$164044) loss].

Depreciation charged for the year was \$75841 [2018: \$87284]. Impairment loss for the year was \$Nil [2018: \$198427].

REVIEW OF OPERATIONS

	2019	2018
	\$	\$
Bar Sales	484634	498842
Poker Machines (Net of Jackpots & Payouts)	305840	369068

The Directors report a loss for the year of \$50975, an improvement of \$113069 when compared to the 2018 loss of \$164044. The net loss of \$50975 includes insurance recoveries received of \$13324, grant funds received of \$15000 and rental credit Department of Lands \$46951, the trading loss excluding these items was \$126250. The result includes Depreciation of \$75841 compared to \$87284 for the 2018 year.

The current year result is reflective of another difficult year of trade as the Directors try to implement the changes as outlined to members at the 2018 AGM, with bar sales and poker machine clearances decreasing by \$14208 and \$63228 respectively. The Gross Profit percentage for the bar declined by 1.04% despite all price increases being reluctantly passed on by the Board, as discounts were offered to encourage patronage. The catering area of operations unlike prior years has had a positive impact on the result for the year with profit from catering operations being \$14146 compared to a loss from catering operations in the 2018 year of \$45636 an improvement of \$59782.

Other income increased by \$22528 over 2018, the decline in green & tournament fees of \$5329 and sundry income \$13646 was offset by an increase in grant funds received of \$15000 and raffles and promotion income of \$21220.

The clubs operations continued to support its principal objectives of promoting bowls and other sports with direct costs for the greens and bowls totalling \$80495 for the current year offset by greens and bowls revenue.

Employee benefits expense (wages, on costs and super) decreased by \$128757 compared to the 2018. The majority of staff received a pay rise from the Fairwork commission on the 1st July 2018 which equated to a 3.50% increase, however the change in opening hours due to the decline trade in current and prior years lead to a reduction in bar wages of \$18989, the restructure of the greenkeeper position in June 2018 also saw savings in wages of \$74474. Reductions were also recorded on bistro wages and bowl Co-ordinator wages of \$11515 and \$11984 respectively.

Other expenses decreased overall by \$88491. Decreases were recorded in consultants \$9969, bistro direct costs \$57856 and rent department of lands \$50940. Expense increases were recorded in club promotions direct costs \$12804, greens contractor \$48956 and insurance \$15354.

The current year trading loss coupled with the loss in 2018, 2017 and 2016 has created a material uncertainty regarding the ability of the Club to continue as a going concern. This is outlined at Note 2 to the financial statements. In addition, the 2019 audit opinion contains a modification in relation to the inherent uncertainty.

DIRECTORS' REPORT CONTINUED

REVIEW OF OPERATIONS CONTINUED

The ability of the Club to continue to trade is the main focus of the Board and management with all areas of the Club's income and expenditure under constant review to develop a business model with the view to ensuring the future of the Club.

The cash flow generated by operating activities during the year was a loss (\$76768). This net loss included a reduction in trade and other payables of \$105633. Existing cash holdings of \$40994 and cash flows from financing of \$119845, enabled the club to fund necessary net plant and equipment purchases of \$5976 and repay borrowings of \$36416.

MEMBERS GUARANTEE

In accordance with the Constitution of the Company every member of the Company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the Company during the time that he/she is a member or within one year thereafter. At the date of this report there are 1012 members (2018: 1497 members).

DIRECTORS' MEETINGS

The number of Directors' meetings (including special meetings and meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Directors Meetings	
	No. of Meetings Attended*	No. Meetings Held**
B.S. Grant	9	9
K.M. Clarke	7	9
M. Bartlett	15	17
G.G. Morris	15	17
C. Clark	9	9
B.T. Lynch	8	9
D.W. Ruddock	6	7
D. Heaps	9	9
J.A. McDonell	9	11
G.J. Ball	5	8
A.R. Phair	7	8
P. Jackson	7	8
J.F. Ashton	6	6

* Reflects the number of meetings attended during the time the Director held office during the year

** Reflects the number of meetings held during the time the Director held office during the year.

During the year the following Directors were granted a leave of absence: Nil

DIRECTORS QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Bradley Grant	Sales Manager Chairperson Board Member	8 Months
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DIRECTORS' REPORT CONTINUED

DIRECTORS QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES CONTINUED


Kirsten Clarke	Development Officer Vice Chairperson Board Member	8 Months
Michael Bartlett	Retired Managing Director Private Business Finance Committee Chairman Board Member	2 Year 3 Months
Geoffrey Morris	Retired Union Official Previous Chairperson Previous Board Member Board Member	4 Years 1 Year 8 Months
Colin Clark	Retired Board Member	8 Months
Brian Lynch	Retired General Manager Former Vice Chairperson Former Board Member Board Member	4 Years 8 Months
Dennis Ruddock	Retired Private Investigator Former Board Member Board Member	1 Year 8 Months
Doreen Heaps	Retired Manager Former Vice Chairperson Previous Board Member Board Member	7 Years 1 Month

AUDITORS INDEPENDENCE DECLARATION

A copy of the Auditors independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 5.

Signed at Hallidays Point this 4th Day of October, 2019 by B.S. Grant and K.M. Clarke on behalf of the Board and in accordance with a Resolution passed by the Directors.


.....
BRADLEY S. GRANT
DIRECTOR


.....
KIRSTEN M. CLARKE
DIRECTOR



HARRISON, MAIN & McARTHUR

ACCOUNTANTS, TAX AGENTS AND AUDITORS

A.B.N. 70 470 802 504

ROSS HARRISON
B.Bus. CA

ANDREW McARTHUR
B.Fin Admin, CA

ROD NORTHEY
Dip. Bus, PNA, FTIA, JP

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

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

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

HARRISON, MAIN & McARTHUR
ANDREW McARTHUR - CA
PARTNER
REGISTERED COMPANY AUDITOR

12-16 Wallis Street, Forster

5th October, 2019



HARRISON, MAIN & McARTHUR

ACCOUNTANTS, TAX AGENTS AND AUDITORS

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INDEPENDENT AUDITORS' REPORT

To The Members
Black Head Bowling Club Limited

Opinion

We have audited the accompanying financial report of Black Head Bowling Club Limited, which comprises the Statement of Financial Position as at 30th June 2019, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant Accounting Policies and the Directors' Declaration as set out on pages 9 to 29.

In our opinion the financial report of Black Head Bowling Club Limited is in accordance with the Corporations Act 2001, including:

- a) Giving a true and fair view of the Company's financial position as at 30th June, 2019 and of its performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting interpretations) and the Corporations Regulations 2001.

Basis for Our Opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the 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 - Material Uncertainty Regarding Continuation as a Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Company incurred a net trading loss excluding insurance recoveries of \$64119 during the year ended 30 June 2019, \$227847 for the 2018 year, \$160008 for the 2017 year and \$132932 for the 2016 year and as at the 30th June 2019, the Company's current liabilities exceeded its current assets by \$129399. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 30th June 2019 but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the 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 has 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



HARRISON, MAIN & McARTHUR
ANDREW McARTHUR - CA
PARTNER
REGISTERED COMPANY AUDITOR

12-16 Wallis Street, Forster


5th October, 2019


BLACK HEAD BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 18 001 038 606
DIRECTORS' DECLARATION

The Directors of Black Head Bowling Club Limited, declare that:

1. The financial statements and notes, as set out on pages 10 to 29 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30th June, 2019 and of the performance for the year ended on that date of the Company.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed at Hallidays Point this 4th Day of October, 2019 by B.S. Grant and K.M. Clarke on behalf of the Board and in accordance with a Resolution passed by the Directors.


.....
BRADLEY S. GRANT
DIRECTOR


.....
KIRSTEN M. CLARKE
DIRECTOR

BLACK HEAD BOWLING CLUB LIMITED**(A COMPANY LIMITED BY GUARANTEE)****A.B.N. 18 001 038 606****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 30TH JUNE, 2019

	Note	2019 \$	2018 \$
Revenue	3(a)	1047666	1108578
Insurance Recovery	3(b)	13324	262230
Profit/(Loss) on Disposal of Fixed Assets	4(b)	-	228
Revenue via Sub Clubs Including Greens Fees	1(i)	-	-
Expenses via Sub Clubs Excluding Internal Green Fees	1(i)	-	-
Changes in Inventories of Finished Goods	4(a)	(212707)	(210882)
Employee Benefits Expense	4(a)	(348515)	(477272)
Depreciation & Amortisation Expense	4(a)	(75841)	(87284)
Finance Costs	4(a)	(11289)	(9291)
Impairment Loss	9	-	(198427)
Other Expenses		<u>(463433)</u>	<u>(551924)</u>
Profit/(Loss) Before Income Tax		(50795)	(164044)
Income Tax Expense	1(c)	<u>-</u>	<u>-</u>
Profit/(Loss) for the Year		<u>(50795)</u>	<u>(164044)</u>
Other Comprehensive Income After Income Tax:			
Net Gain On Revaluation of Non-Current Assets		<u>-</u>	<u>-</u>
Other Comprehensive Income for the Year, Net of Tax		<u>-</u>	<u>-</u>
Total Comprehensive Income for the Year		<u>(50795)</u>	<u>(164044)</u>
Total Comprehensive Income Attributable to: Members of the Entity		<u>(50795)</u>	<u>(164044)</u>

The Statement of Profit or Loss and Comprehensive Income is to be read in conjunction with the notes to and forming part of the accounts set out on page 14 to 29.

BLACK HEAD BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 18 001 038 606
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE, 2019

	Retained Earnings \$	Note	Asset Revaluation Reserve \$
Balance at 1st July, 2017	486918		-
Retrospective Adjustment Upon Change in Accounting Policy	-		-
Transfers to and From Reserves	-		-
Transfers to and From Retained Profits	-		-
Total Other Comprehensive Income for the Year	-		-
Profit/(Loss) Attributable to the Company	(164044)		-
Balance at 30th June, 2018	<u>322874</u>		<u>-</u>
Balance at 1st July, 2018	322874		-
Retrospective Adjustment Upon Change in Accounting Policy	-		-
Transfers to and From Reserves	-		-
Transfers to and From Retained Profits	-		-
Total Other Comprehensive Income for the Year	-		-
Profit/(Loss) Attributable to the Company	(50795)		-
Balance at 30th June, 2019	<u>272079</u>		<u>-</u>

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the accounts set out on page 14 to 29.

BLACK HEAD BOWLING CLUB LIMITED**(A COMPANY LIMITED BY GUARANTEE)****A.B.N. 18 001 038 606****STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2019**

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents	5	41319	40994
Trade & Other Receivables	6	16981	28160
Inventories	7	10662	15050
Other Assets	8	37387	51484
TOTAL CURRENT ASSETS		106349	135688
NON-CURRENT ASSETS			
Property, Plant & Equipment	9	317973	386471
Intangible Assets	10	87696	89064
TOTAL NON-CURRENT ASSETS		405669	475535
TOTAL ASSETS		512018	611223
LIABILITIES			
CURRENT LIABILITIES			
Trade & Other Payables	11	63445	169078
Borrowings	12	129485	46416
Short Term Provisions	13	37817	58845
Other Liabilities	14	5001	3801
TOTAL CURRENT LIABILITIES		235748	278140
NON-CURRENT LIABILITIES			
Borrowings	12	-	-
Long Term Provisions	13	4191	10209
Other Liabilities	14	-	-
TOTAL NON-CURRENT LIABILITIES		4191	10209
TOTAL LIABILITIES		239939	288349
NET ASSETS		272079	322874
EQUITY			
Reserves		-	-
Retained Profits		272079	322874
TOTAL EQUITY		272079	322874

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the accounts set out on page 14 to 29.

BLACK HEAD BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 18 001 038 606
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2019

	Note	2019 \$	2018 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Customers		1173979	1472275
Interest Received		1	28
Payments to Suppliers and Employees		(1239459)	(1342449)
Finance Costs		(11289)	(9291)
Net Cash Generated from Operating Activities		(76768)	120563
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant & Equipment		-	500
Payment for Intangible Assets		-	-
Payment for Property, Plant & Equipment		(5976)	(24437)
Net Cash used in Investing Activities		(5976)	(23937)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		119485	46416
Repayment of Borrowings		(36416)	(121857)
Proceeds from Hire Purchase		-	-
Repayment Hire Purchase		-	-
Sub Club Funds Received		-	-
Net Cash used in Financing Activities		83069	(75441)
Net Increase/(Decrease) in Cash Held		325	21185
Cash and Cash Equivalents at 1 st July 2018		40994	19809
Cash and Cash Equivalents at 30th June 2019	5(a)	41319	40994

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the accounts set out on page 14 to 29.

BLACK HEAD BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 18 001 038 606
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2019

The financial report is for Black Head Bowling Club Limited as an individual Company, incorporated and domiciled in Australia. Black Head Bowling Club Limited is a Company limited by guarantee.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

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

The financial statements were authorised for issue on the 4th October 2019 by the Directors of the Company.

Accounting Policies

a) Inventories

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

b) Property, Plant & Equipment

Property, plant and equipment are carried at cost or at fair value, less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of property, plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the fair value of the assets less cost to sell or the depreciable replacement cost of these assets.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour and borrowing costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings, and leasehold improvements but excluding freehold land, are depreciated on a straight line and/or diminishing value basis over their useful lives to the Company, commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5% - 4%
Plant and Equipment	7.5% - 40%
Bowling Greens	4%
Car Parks etc	2%
Leased Assets	17%
Greens Irrigation Equipment	10%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income.

c) Income Tax

In accordance with Section 50.45 of the Income Tax Assessment Act, the Company has been notified by the Australian Taxation Office that its income is not subject to income tax.

d) Employee entitlements

1. Short Term Employee Benefits

Provision is made for the Company's obligation for short term employee benefits. Short term employee benefits are benefits that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave. Short term employee benefits are measured at the (undiscounted) amount expected to be paid when the obligation is settled.

The Company's obligation for short term employee benefits is recognised as part of provisions in the Statement of Financial Position.

2. Long Term Employee Benefits

The Company classifies employees' long service leave and certain annual leave entitlements as long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Company's obligation for long term employee benefits, which are measured at the present value of the expected future payments to be made to employees including future wage and salary levels and on costs. The movement in this provision is recognised on the profit or loss under employee benefits expense.

The Company's obligation for long term employee benefits is recognised as part of non-current provisions in the Statement of Financial Position unless the Company cannot defer settlement for 12 months then they are classified as current provision.

Contributions are made by the Company to employee superannuation funds and charged as an expense when incurred.

e) Revenue

Revenue from the sale of goods is recognised upon delivery of goods to customers. Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Revenue is recognised net of the amount of goods and services tax (GST)

f) Goods and Services Tax (GST)

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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payable in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

g) Intangibles

Computer software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It is being written off over the useful life of the software to the Company.

Poker Machine entitlements are at cost less any impairment losses. Poker machine entitlements have an indefinite life and are assessed annually for impairment.

h) Leases

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

Finance lease are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. 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 the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

In accordance AASB: 116 Property Plant and Equipment, any rectification clauses in operating leases will be recognised and measured in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets, only if the probable outflow is not remote and can be reliably measured.

i) Sub Clubs

Under the Club's Constitution, the Directors may allow an affiliated Sub Club to operate within the confines of the main club. Even though the Directors of the Club do not take part in day to day operations of the affiliated sub clubs per the constitution, the main club is ultimately responsible for all the assets and liabilities of the affiliated sub clubs. As a result, for the 2017 and future financial years, the financial report incorporated these assets and liabilities and the income and expenses generated by those sub clubs excluding transactions between the sub clubs and the main club.

j) Impairment of Assets

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

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

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

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

Impairment testing is performed annually for intangible assets with indefinite lives

k) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit and loss' in which case transaction costs are expensed to profit or loss immediately.

Classification & Subsequent Measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amounts for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- i. The amount at which the financial asset or liability is measured at initial recognition;
- ii. Less principal repayments;
- iii. Plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method;
- iv. Less any reduction for impairment

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Loans & Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after reporting date, these are included in non-current assets.

Held to Maturity Investments

Held to Maturity Investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held to Maturity Investments are included in non-current assets, except for those which are expected to mature within 12 months after reporting date, these are included in current assets.

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Statement of Comprehensive Income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in the profit and loss.

l) Provisions

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

m) Government Grants – Irrigation Equipment

The Company entered into an agreement with the Commonwealth of Australia, Australian Community Water Grants (CWG) Programme. As part of that agreement a grant of \$50000 GST inclusive was received by the Club in the 2007 financial year. The project was finalised in April 2008. In accordance with AASB 1004 Contributions the grant funds have been brought to account when the Club has received control of the funds. The depreciation associated with the water tanks will be recognised over their useful life.

n) Comparative Figures

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

When the Company applies an accounting policy retrospectively, makes retrospective restatement or reclassifies items in its financial statements, a Statement of Financial Position as at the beginning of the earliest comparative period must be disclosed.

o) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and with the Company.

Key Estimates – Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

p) New and Revised Standards that are Effective for these Financial Statements

An assessment of Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Company and their potential impact on the Company when adopted in future periods is discussed below:

AASB 9: Financial Instruments (December 2014) and associated Amending Standards
(applicable for annual reporting periods commencing on or after 1st January 2019)

These Standards will be applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments.

The key changes that may affect the Company on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, upfront accounting for expected credit loss and the irrevocable election to recognise gains and losses on investments in equity instruments that are held for trading in other comprehensive income.

Although the Directors anticipate that the adoption of AASB 9 will impact the Company's financial statements, it is not expected to be a material impact.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the Directors anticipate that the adoption of AASB 16 will impact the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact due to the current trading results of the Club.

NOTE 2 – MATERIAL UNCERTAINTY REGARDING CONTINUATION AS A GOING CONCERN

The Company incurred a net trading loss excluding insurance recoveries of \$64119 for the 2019 year, \$227847 for the 2018 year, \$160008 for the 2017 year and \$132932 for the 2016 year and as at the 30th June 2019 the Company's current liabilities exceeded its current assets by \$129399. The current year trading loss coupled with the significant losses in the 2018, 2017 and 2016 years has placed significant strain on the Club's finances and as a result there is a material uncertainty regarding the Clubs ability to continue as a going concern, and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The ability of the Club to continue as a going concern is contingent upon:

- The ability of the Club to generate targeted income levels and restrict expenditure in line with budgets;
- The support of the Men's, Women's Bowling Sub Clubs and Social Members and Guests;
- The continued support of National Australia Bank including the extension of the market rate facility due to expire on the 30th November 2019;
- The ability of the Club to raise funds by other means including the sale of assets if required.

NOTE 3 – REVENUE

	Note	2019 \$	2018 \$
(a) Operating Revenue			
Turnover from Trading Activities		810874	894314
Non Operating Revenue			
Interest Received		-	28
Members Subscriptions		17268	18702
Green Fees – Men's, Women's & Social		34769	40098
Sponsorship/Advertising		7036	2609
Keno & Tab Commission		18484	17667
Commission/Rebates Received/Sundry Income		27617	41263
GST on Poker Machines Credit		17180	17180
Grant Funds Received		15000	-
Raffles & Promotion Income		94719	73499
Courtesy Bus Expense Recovery		4719	3218
		<u>1047666</u>	<u>1108578</u>
(b) Insurance Recoveries			
Insurance Proceeds		<u>13324</u>	<u>262230</u>

During the current and prior year the Club received insurance recoveries of \$13324 and \$262230 with regards to storm damage sustained to Greens, Clubhouse and equipment including the roof, Solar panels and business interruption. At the date of this report only a small proportion of these funds had been expended on rectification of the damage done.

NOTE 4 – PROFIT/(LOSS) FOR YEAR

a) Expenses

Changes in Inventories of Finished Goods

Main Bar	<u>212707</u>	<u>210882</u>
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	Note	2019 \$	2018 \$
Depreciation and Amortisation			
Buildings, Improvements, Car Parks & Greens		25141	26004
Plant and Equipment		49332	59912
Motor Vehicles – Courtesy Bus		-	-
Intangibles		1368	1368
		<u>75841</u>	<u>87284</u>
Finance Costs			
Interest Paid		<u>11289</u>	<u>9291</u>
Rental Expense on Operating Leases			
Minimum lease payments		<u>(5062)</u>	<u>45877</u>
Employee Benefits			
Employee Entitlements		(27047)	5817
Salaries & Wages		346372	433104
Employee Benefits		-	-
Fringe Benefits Tax		-	-
Superannuation		<u>29190</u>	<u>38351</u>
		<u>348515</u>	<u>477272</u>
b) Significant Revenue and Expenses			
Gain on Disposal of Non Current Assets		-	228
Loss on Disposal of Non Current Assets		-	-

NOTE 5 – CASH & CASH EQUIVALENTS

Cash On Hand		25050	30500
Cash at Bank – Main Club		16269	10494
Cash at Bank and On Hand – Sub Clubs		-	-
	5(a), 18	<u>41319</u>	<u>40994</u>

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to Items in the Statement of Financial Position as follows:

Cash and Cash Equivalents		41319	40994
Bank Overdrafts	12	-	-
		<u>41319</u>	<u>40994</u>

NOTE 6 – TRADE & OTHER RECEIVABLES

Current

Trade Receivables		3547	9921
Provision for Impairment		-	-
		<u>3547</u>	<u>9921</u>
Other Receivables		-	-
Accrued Income		-	-
GST Receivable		<u>13434</u>	<u>18239</u>
	6(a)	<u>16981</u>	<u>28160</u>

(a) Financial Assets classified as loans and receivables:

Trade & Other Receivables			
- Current	18	<u>16981</u>	<u>28160</u>

NOTE 7 - INVENTORIES

	Note	2019 \$	2018 \$
Bar		7926	11714
Bowls Accessories		2736	3336
		<u>10662</u>	<u>15050</u>

NOTE 8 - OTHER ASSETS

Prepayments		<u>37387</u>	<u>51484</u>
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NOTE 9 – PROPERTY, PLANT & EQUIPMENT

	Cost \$	Accum Dep'n \$	Accum Impair't Loss \$	Written Down Value \$
Year Ended 30th June, 2019				
Buildings, Plant & Equipment, Furniture & Fittings	1837233	1098618	446314	292301
Plant & Equipment – Kitchen	142173	119807	-	22366
Bowling Greens	95454	94091	1363	-
Greens Equipment	27306	24000	-	3306
Car Park	83196	23356	59840	-
Irrigation Equipment	46682	46682	-	-
Motor Vehicle – Courtesy Bus	50224	50224	-	-
	<u>2282268</u>	<u>1456778</u>	<u>507517</u>	<u>317973</u>

	Cost \$	Accum Dep'n \$	Accum Impair't Loss \$	Written Down Value \$
Year Ended 30th June, 2018				
Buildings, Plant & Equipment, Furniture & Fittings	1834235	1029799	446314	358122
Plant & Equipment - Kitchen	140163	115657	-	24506
Bowling Greens	95454	94091	1363	-
Greens Equipment	26339	22589	-	3750
Car Park	83196	23356	59840	-
Irrigation Equipment	46682	46589	-	93
Leased Motor Vehicle – Courtesy Bus	50224	50224	-	-
	<u>2276293</u>	<u>1382305</u>	<u>507517</u>	<u>386471</u>

RECOVERABLE AMOUNT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

The recoverable amount of Property, Plant & Equipment and Intangible Assets has been determined in accordance with AASB 116: Property, Plant & Equipment, AASB 138 Intangible Assets and AASB 136: Impairment of Assets. The following information outlines the basis for impairment losses recognised during the current and prior year.

Impairment Indicators

The Directors noted the following impairment indicators at 30th June, 2019:

Internal – Continued generation of Trading Losses in the 2016, 2017, 2018 and 2019 financial years as well as negative cashflows from trading activities for the 2017, 2018 and 2019 years.

Cash Generating Unit

The Directors identified buildings, general plant and equipment, furniture and fittings, car parks, bowling greens, poker machines and poker machine entitlements as one cash generating unit as each of these assets is not capable of operating independently of each other.

Assessment of Recoverable Amount

The recoverable amount of the above cash generating unit has been determined on fair value of the assets in question less any costs of disposal that may be incurred. The Directors of the Club have assessed the fair value of general plant & equipment on the price that could be achieved via an orderly sale process, whilst independent valuations were obtained for the fair value of poker machines and poker machine entitlements. A value in use calculation was not performed as Directors believed the projected cashflows that would be used in the calculation would lead to a value in use figure that was less than the fair value basis.

Impairment Loss Recognised

Having determined the recoverable amount of these assets the Directors recognised an impairment loss as follows:

	Note	2019 \$	2018 \$
Impairment Loss in Income Statement		-	198427

Movement in Carrying Amount of Property, Plant & Equipment

	2019 Property, Plant & Equipment \$	2018 Property, Plant & Equipment \$
Opening Written Down Value	386471	646649
Add: Additions	5975	24437
Less: Disposals	-	(272)
Less: Depreciation	(74473)	(85916)
Add: Revaluation Increment	-	-
Less: Revaluation Decrement	-	-
Less: Impairment Losses	-	(198427)
Closing Written Down Value	317973	386471

CORE ASSETS OF THE CLUB

The current Directors disclose under the provisions of the Registered Clubs Act that the core assets of the Club are the Clubhouse at Black head including bowling greens and car park.

NOTE 10 – INTANGIBLE ASSETS

	Cost \$	Accum Amort'n/ Impair't \$	Written Down Value \$
30 th June, 2019			
Computer Software	6840	3583	3257
Poker Machine Entitlements	115107	30668	84439
	121947	34251	87696

30th June, 2018

Computer Software

Poker Machine Entitlements

Cost \$	Accum Amort'n/ Impair't \$	Written Down Value \$
6840	2215	4625
115107	30668	84439
<u>121947</u>	<u>32883</u>	<u>89064</u>

Movement in Carrying Amount of Intangible Assets

	2019 \$	2018 \$
Opening Written Down Value	89064	90432
Add: Additions	-	-
Less: Disposals	-	-
Less: Amortisation	(1368)	(1368)
Add: Revaluation Increment	-	-
Less: Revaluation Decrement	-	-
	<u>-</u>	<u>-</u>
Closing Written Down Value	<u>87696</u>	<u>89064</u>

NOTE 11 – TRADE & OTHER PAYABLES

	Note	2019 \$	2018 \$
Current			
Trade Payables		20160	126599
Income in Advance		-	1136
Accrued Expenses		21867	19186
GST Payable		21418	22157
	11(a)	<u>63445</u>	<u>169078</u>

(a) Financial Liabilities at amortised cost classified as trade and other payables:

Trade & Other Payables			
- Current		63445	169078
- Non-Current		-	-
		<u>63445</u>	<u>169078</u>
Less Income In Advance		-	(1136)
		<u>-</u>	<u>-</u>
Financial Liabilities as Trade & Other Payables	18	<u>63445</u>	<u>167942</u>

NOTE 12 – BORROWINGS

	Note	2019 \$	2018 \$
Current			
Bank Overdraft – NAB	12(b)	-	-
Market Rate Facility – NAB	12(b) & (c)	90000	10000
Equipment Loan – NAB	12(b)	-	-
Insurance Loan		39485	36416
		<u>129485</u>	<u>46416</u>
Non-Current			
Market Rate Facility – NAB	12(b) & (c)	-	-
Equipment Loan – NAB	12(b)	-	-
		<u>-</u>	<u>-</u>
Total Borrowings	18	<u>129485</u>	<u>46416</u>

a) Total current and non-current secured liabilities:

	Note	2019 \$	2018 \$
Bank Overdraft – NAB		-	-
Market Rate Facility – NAB		90000	10000
Equipment Loan – NAB		-	-
		<u>90000</u>	<u>10000</u>

b) The carrying amount of current and non-current assets pledged as security are:

Buildings and Plant & Equipment	317973	386471
Floating Charge:		
Cash & Cash Equivalents	41319	40994
Trade & Other Receivables	16981	28160
Inventories	10662	15050
Other Current Assets	37387	51484
Intangible Assets	87696	89064
	<u>512018</u>	<u>611223</u>

c) Securities Given

i. The bank debt is secured by:

- Registered Mortgage Debenture over the whole of Black Head Bowling Club assets including goodwill and uncalled capital and called but unpaid capital together with relative insurance policy assigned to the National Australia Bank Ltd;

Covenants imposed by the bank are as follows:

- Annual audited financial statements provided within 120 days of end of financial year;
- Copy of business insurances noting National Australia Bank Ltd as an interested party;

d) The Company currently has undrawn facilities with the NAB and others as follows:

Facility	Facility Limit \$	Amount Drawn \$	Undrawn Facility \$
Bank Overdraft	30000	-	30000
Insurance Loan	39485	39485	-
Market Rate Facility	100000	90000	10000

The Club has also provided guarantees to TAB NSW of \$5000.

The marker rate facility with the NAB is due to expire on the 30th November 2019.

NOTE 13 – PROVISIONS

	Annual Leave Prov'n \$	Long Service Leave Prov'n \$	Total \$
Opening Balance at 1 st July 2018	45983	23071	69054
Additional provisions raised during year	9529	3039	12568
Amounts used	<u>(27211)</u>	<u>(12403)</u>	<u>(39614)</u>
Balance at 30 th June 2019	<u>28301</u>	<u>13707</u>	<u>42008</u>

Analysis of Total Provisions

	Note	2019 \$	2018 \$
Current			
Annual Leave		28301	45983
Long Service Leave		9516	12862
		<u>37817</u>	<u>58845</u>
Non-Current			
Long Service Leave		<u>4191</u>	<u>10209</u>

Provision for Long Service Leave

A provision has been recognised for employee entitlements relating to 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 have been included in Note 1(d) of the financial statements.

NOTE 14 – OTHER LIABILITIES

	Note	2019 \$	2018 \$
Current			
Caterers Bond		-	-
Subscriptions in Advance		5001	3801
Income/Grants in Advance		-	-
		<u>5001</u>	<u>3801</u>
Non-Current			
Income/Grants in Advance		<u>-</u>	<u>-</u>

NOTE 15 - CONTINGENT LIABILITIES & ASSETS

Contingent Liabilities - Clubhouse & Bowling Greens

A contingent liability exists for the rectification of the leased Clubhouse site and bowling greens at Black Head in accordance with the lease agreement between the club and Department of Lands. The Club at this time does not believe any amount will be payable for the completion of rectification works.

Contingent Liability – Poker Machine Jackpots

The Club has a contingent liability at the 30th June 2019 being the payment of poker machine jackpots accrued. The payment of the jackpot is contingent upon the winning combination being spun or upon the decommissioning of a machine which is not replaced and/or the jackpot accrued not being transferred to another machine. The potential liability is \$9928.

Contingent Asset – Promotional Fund

The club has only one contingent asset at the 30th June 2019 being the maintenance of a promotional fund by Toohey's under the current trading agreement. Under the agreement between the Club and Toohey's an amount is set aside based on the litres purchased by the Club to be used on promotional activity agreed to by both parties. The maintenance of the fund is contingent upon a valid trading agreement between the Club and Toohey's remaining in place.

Contingent Liabilities – Members Super Draw

The Club has one contingent liability at the 30th June 2019 being its contribution to the super draw which is \$1000 upon restart (major prize won) and \$125 per week.

NOTE 16 - LEASING & CAPITAL COMMITMENTS

Operating Lease Commitments

Club House Land

The lease of Clubhouse land with the Department of Lands runs in perpetuity. The Department of Lands has calculated the market rental of that land at \$20412 however have set our annual commitment of \$16330 after adjustment for CPI and application of Registered Clubs Category 3b rebate of 20%. During the year the Department of Lands at the request of the Club redetermined the market rent from \$57090 to \$20000 effective 28th October 2017 resulting in a credit of \$48312.30 being received by the Club in the 2019 year.

Photocopier Rental

The Club entered into an agreement on 3rd September 2018 for 60 months with Viatek for the rental of a Colour Photocopier. The rental liabilities are detailed below.

Bistro Paging System

The Club entered into an agreement on the 9th February 2012 to rent a paging system for the bistro. The agreement was for one year and the rental commitments are detailed below.

Keno Maintenance

The Club pays a daily maintenance fee to Keno for the terminals used by the Club. The daily fee is \$4.56 GST exclusive.

The Club's annual rental liabilities are as follows:

	Paging System	Photo- Copier	Phone System	Keno	Foxtel	Sky Channel	Total
	\$	\$	\$	\$	\$	\$	\$
Not Later Than 12 months	1416	3039	3048	1814	21600	16824	47591
Later Than 12 months but Not Later Than 2 years	-	2952	3048	-	-		6000
Later Than 2 years but Not Later Than 5 years	-	6309	7874	-	-		14183
Later Than 5 Years	-	-	-	-	-		-

Capital Commitments

There are no material capital commitments at the 30th June 2019.

NOTE 17 - SUPERANNUATION COMMITMENT

The Company is committed to paying superannuation for all employees who fall within the ambit of the Superannuation Guarantee Legislation. Contributions are calculated as a percentage of employees' ordinary wages under the definition of ordinary time's earnings under the award.

NOTE 18 – FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable and borrowings from financial and non financial institutions.

The Company does not have any derivative instruments at the 30th June, 2019.

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

	Note	2019 Carrying Value \$	2019 Net Fair Value \$	2018 Carrying Value \$	2018 Net Fair Value \$
Financial Assets					
Cash & Cash Equivalents	5	41319	41319	40994	40994
Loans & Receivables	6(a)	16981	16981	28160	28160
Total Financial Assets		58300	58300	69154	69154
Financial Liabilities					
Financial liabilities at amortised cost:					
Trade & Other Payables	11(a)	63445	63445	167942	167942
Borrowings	12	129485	129485	46416	46416
Total Financial Liabilities		192930	192930	214358	214358

Fair Values

Fair Value Estimation

The fair values of financial assets and financial liabilities are presented in the table at the beginning of Note 18 and can be compared to their carrying value as presented in the Statement of Financial Position. Fair value is determined in accordance with the accounting policy at Note 1(k) in the Financial Statements and Notes.

The fair values disclosed in the table at the beginning of Note 18 have been determined on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value.
- (ii) Borrowings fair values are determined using discounted cash flow model incorporating current commercial borrowing rates. The fair values of fixed rate bank debt will not differ materially to their carrying value.

Financial Instruments Measured at fair Value

There are no financial instruments that need to be recognised at fair value in the Statement of Financial Position using the fair value hierarchy as outlined in AASB 7.

NOTE 19 – KEY MANAGEMENT PERSONNEL COMPENSATION

At the 30th June, 2019 the Company had nine current and seven former key management personnel including Directors of the Company.

Compensation Paid to Key Management Personnel (Excluding Directors)

	Short Term Benefits \$	Post Employ't Benefits \$	Long Term Benefits \$	TOTAL \$
2019				
Total Compensation	124167	11620	30799	166586
2018				
Total Compensation	212089	18543	6337	236969

Compensation Paid to Key Management Personnel (Directors)

	Short Term Benefits \$	Post Employ't Benefits \$	Long Term Benefits \$	TOTAL \$
2019				
Total Compensation	-	-	-	-
2018				
Total Compensation	-	-	-	-

NOTE 20 – 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.

There were no transactions with related parties during the year ended 30th June 2019.

NOTE 21 - MEMBERS GUARANTEE

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. In accordance with the Constitution of the Company every member of the Company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the Company during the time that he/she is a member or within one year thereafter. At the date of this report there are 1012 members (2018: 1497 members).

NOTE 22 – EVENTS AFTER THE REPORTING DATE

Events After The Reporting Date

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.

Future Developments

Apart from any matters outlined below, it is proposed to continue Company operations in a similar manner to the past financial year, with focus being on reduction of the Club's expenditure and the undertaking of improvements, wherever possible and within the constraints of available funds.