

Canberra North Bowling & ACT Rugby Union Club Incorporated

Annual Report & Financial Statements
2019/20



54 McCaughey Street, Turner ACT
PO Box 6038 O'Connor ACT 2612
ABN: 75 828 479 707





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01.

Notice of Annual General Meeting

The Annual General Meeting of the Canberra North Bowling and ACT Rugby Union Club will be held at the Club, 54 McCaughey Street Turner ACT on Thursday 19 November 2020 at 6.00pm.

Copies of the agenda will be available from the Secretary at the Club from 12/11/2020.



J Wilcox

Secretary Manager
CNBACTRUC Inc.

01 a.

Annual General Meeting Agenda

1. Welcome/Attendance/Apologies
2. Minutes of the 2019 Annual General Meeting
3. Presentation of the Annual Report and Financial Statements for 2019/2020
 - a. Financial Report – Treasurer, Andrew Sykes
 - b. Board Report – President, Alisa Taylor
4. Elections
 - a. Treasurer – Three-year term
 - b. Board Member (Bowling) – Three-year term
5. Meeting close

02.

Previous Minutes

Canberra North Bowling and ACT Rugby Union Club Annual General Meeting

Thursday 21st November 2019, 6.02pm

The CNBACTRUC Meeting Room 54 McCaughey St, Turner

1.0 Welcome/ Attendance

1.1) In Attendance/Quorum

A Taylor (Vice President, Chair) and 48 members as per attached list - Confirm Quorum – 20 members as per section 4.5(b) of the Constitution

1.2) Apologies: A Sykes, J Brewis, W Keys, M Axlesen

1.3) The Chair noted Notice of AGM listed in Annual report and sent out to members in accordance with 4.4 of the Club's Constitution.

2.0 Minutes of the 2018 Annual General Meeting

2.1) Matters Arising – Nil

2.2) Acceptance of the previous minutes: Moved S Cottle, Seconded M Schipp. Approved unanimously.

3.0 Presentation of the Annual Report and Financial Statements for 2018/2019

3.1) Financial Report – Club Secretary Manager, Jeremy Wilcox presented the attached 2018/19 financial

statements. He outlined the highlights of the report and the continuing successful financial history of the merged club:

Accounts

- Surplus of \$148,084.
- Net increase in cash and cash equivalents held of \$209,348.
- Increased cost of running the Club, particularly in relation to staff, security, and insurance premiums.
- Over \$84,000 was spent on member amenities including the Club's Sky and Fox Sports subscriptions, and discounted food and beverages.

Debt

- Clubs Owes \$710,000 noting the reduction of debt of \$160,843 for the year.

Investments

- in improving waiting times
- Infrastructure in the bar and kitchen
- Refurbished gaming room.

Business Plan 2014

The performance by the Club is on par with what we were expecting at the end of the Five-Year Plan of 2014.

Coming Up

- Improved member experiences including solar panels, climate control outside.
- Reduce debt
- Invest in aging infrastructure
- Rob Rawson asked for an update on the Sport and Recreation review into bowls in the ACT. The Secretary Manager responded that the review was ongoing and that the results would be circulated widely when available.
- Acceptance of the financial statements: Moved P Bradley, Seconded H Merritt. Approved unanimously.

3.2) Board Report – Club Vice President, Alisa Taylor presented the Board Report for 2018/19 noting the highlights of the year including:

Members

Patronage of the Club by members has increased over the

year as evidenced by an increase in the Club's revenue figures of 15%, with membership of the combined Club now at over 7,000.

Community Contributions

The Club continues to play a strong role in the Inner North community, helping more than fifty not for profit groups including lawn bowling, rugby union and other amateur sports, church and school groups, as well as charities, support groups and other community organisations. A total of \$85,765 was contributed to the Club's community in line with the objects of the Club's Constitution. This represents 20.45% of net gaming machine revenue and \$52,217 more than the 8% legislated to go to the community. The club received an award for the Support of Amateur Sport at this year's Clubs ACT Annual Awards dinner which is a credit to all members of the Club.

The Government

The Board is looking at ways to reduce its reliance on gambling and investigate other revenue sources. The Board is also having to spend a significant amount of time on policy and regulatory changes, imposed by the ACT Government at short notice.

Strategy

The focus of the Board has been to direct members funds in a manner that will enhance member experiences at the Club, with a particular focus on reducing wait times at the bistro and at the bar. Investments have been made in kitchen hardware, the cool room and bar infrastructure to reduce wait times in peak periods. Surpluses from Club operations fund community organisations, Club capital expenditure and member experiences. The Board is also looking at ways to diversify the revenue streams of the Club to ensure the Club's long-term viability.

The Club

We wish to thank all the Board members for their dedication to the Club, with particular thanks to outgoing directors Matt Nobbs and David Polglase for their tireless work as Directors of the Club. David is the outgoing President and has been a Board member for the ACT Rugby Union Club and the merged Club since 2014 and deserves special mention. The Board would like to thank all members, guests and particularly new members for supporting the Club in great numbers throughout the year and wish everyone well for the festive season and a fruitful 2020.

4.0 Elections

4.1) There are no elections this year due to a combination of three-year terms, resignations, and casual vacancy appointments.

5.0 Life Member

Motion: That the members agree with the recommendation of the Board and Bowls Management Committee that Lorraine Richards be elected to the status of life membership of the Canberra North Bowling and ACT Rugby Union Club Incorporated in recognition of outstanding service rendered to the Association.

Speaking to the motion: A letter of recommendation was read by Hillary Merritt and no one spoke against the motion.

Moved A Urbanc, Seconded R Rawson, Approved unanimously.

6.0 General Business

6.1) No general business notified.

7.0 Meeting Close

7.1) The meeting closed at 6.19 pm.

02a.

Appendix

List of members attending the CNBACTRUC AGM

M Bellchambers	A Urbanc	P Hudson	N Barnsley
B Dobbs	L Dobbs	M Fogarty	K Dowrick
T Bell	P Bradley	A Levy	N Johnston
V Fulivai	C Finlayson	L Luchetti	L Whitehead
T McGrath	B Sheville	K Schipp	M Schipp
N Butler	R Rawson	H Merritt	J Wilcox
N Scanlan	A Montague	A Juric	T Ballard
J Mercieca	K Leggos	R Horner	L Richards
M Weeden	R McInnes	D McGown	C. Carcary
P Bellchambers	D Seaton	G Cruttenden	P Hughes
D Barratt	S Cottle	G Corliss	A Taylor
N Wilcox	L Grigg	J Merritt	



03.

Board Report 2020

The CNBACTRUC Board is pleased to present the annual report for the Canberra North Bowling and ACT Rugby Union Club Incorporated and congratulate members, Board, staff and management on navigating through a very unusual year.

The financial result for the Club is a surplus of \$157,394 noting a net increase in cash and cash equivalents held of \$83,901. Over \$57,000 was spent on member amenities including the Club's Sky and Fox Sports subscriptions, and discounted food and beverages.

The CNBACTRUC was compulsorily shutdown on Monday the 23rd of March 2020 and reopened for 20 people per area on Friday 29 May 2020. The Club was shut to the general public for that nine-week period, costing members approximately \$35,000 in cash each month. Little or no revenue was derived from that nine-week period. From 29 May 2020 until present, the Club has been trading on ACT Government enforced reduced maximum numbers of patrons. Gaming reopened on the 10th of August at ongoing enforced reduced capacity. The Club is working extremely hard to comply with all ACT and Federal Government health directions and the Club has been audited frequently.

The Club continues to play a strong role in the Inner North community, helping more than fifty not for profit groups including lawn bowling, rugby union and other amateur

sports, church and school groups, as well as charities, support groups and other community organisations. A total of \$177,376 was contributed to the Club's community in line with the objects of the Club's Constitution. This represents 54% of net gaming machine revenue and well over the 8% legislated to go to the community.

The focus of the Board has been to direct members funds in a manner that will enhance member experiences at the Club, with a particular focus on reducing wait times at the bistro and at the bar. Investments have been made in kitchen hardware, the cool room and bar infrastructure to reduce wait times in peak periods. The Club has invested in two new TV walls and a roof full of solar panels to offset energy expenses. Surpluses from Club operations fund community organisations, Club capital expenditure and member experiences. The Board is also looking at ways to diversify the revenue streams of the Club to ensure the Club's long-term viability.

We wish to thank all the Board members for their dedication to the Club, with particular thanks to outgoing Directors Anne-Marie Perrett and Steve Cottle for all their work as directors of the Club. The Board would like to thank all members, guests and particularly new members for supporting the Club in great numbers throughout the year and wish everyone well for the festive season and a fruitful 2021.



04.

What Makes the Canberra North Bowling and ACT Rugby Union Club Different?

Core Values

People

Professionalism, honesty, initiative and integrity are things we value highly.

Welcoming

We treat our members as if they were guests in our own house.

Teamwork

The business of the Club should be hard, but also fun and engaging. We communicate respectfully and don't transfer pressure to others.

Responsible

We deliver on promises and acknowledge mistakes.

Friendly

To attract members, our whole club should be friendly and inclusive to guests, new and existing members.

Purpose of the Club

The purpose of the RUC is to provide an intimate, friendly and welcoming venue for members and guests to socialise, enjoy hospitality services and ensure a sustainable Club that supports and contributes to the community.

Goal

To create Canberra's most fun, accessible and welcoming Club.



05.

Canberra North Bowling and ACT Rugby Union Club Community Contributions



Clubs are set up by people with common interests and common objectives and distribute funds in line with these interests and objectives.

The CNBACTRUC brought together two of Canberra's oldest and smallest Clubs in 2014. It was established to "Foster and encourage interest and participation in sport in the ACT, particularly the game of Lawn Bowls and the Rugby Union Football Code; and promote social intercourse amongst the members and guests of the Association."

It is a direction that has seen lawn bowls, both competitive and barefoot, flourish in the last five years, and an approach that sees more than 15 community sporting clubs now calling The RUC their home.

The RUC is a base for amateur sporting organisations



- these organisations support the RUC and we support them. They are all relationships that have taken time to build, and they are relationships that we look forward to continuing for many years to come.

The Club's initial application to the ACT Gambling and Racing Commission required us to detail the extent to which the Club has contributed to the community, how this has supported and benefited the community, a statement of beneficiaries, and our harm minimisation measures, as well as our constitution and objects.

Our Community Contributions go to lawn bowling, rugby union, local cricket clubs, touch football, netball, junior rugby league, women's soccer, local hockey clubs, the Turner School fete, as well as many raffle prizes for charities and community fundraisers.



Each year the Club distributes well in excess of the mandated 8.8% community contributions required by the legislation because we are extremely proud of and believe in our affiliated groups. In fact, this year we distributed 54% of our net gaming revenue, resulting in \$177,376 to local community organisations.

Revenue from our Club helps pay for our bowling greens, rugby and other amateur sports in the Inner North. At a time when obesity rates are soaring and other social and mental challenges permeate the media, there is undoubted community value in sport, exercise, inclusion and social interaction.

We are very proud of all of our hardworking Club volunteers who help raise money for the objects of our Constitution



and our original purpose. They have a significant impact on community sporting groups affiliated with our Club.

For applications to the Clubs Community Contributions program, please visit our website:

<http://theruc.com.au/wp-content/uploads/2019/09/Community-Contributions-Guidelines.pdf>

06.

A Sustainable RUC



Actsmart Business Recycling Accreditation

As part of our accreditation to the Actsmart Business Recycling Accreditation the RUC now separates waste streams including paper and cardboard, glass, organic waste, and general waste. We have:

- appointed an implementation coordinator
- conducted waste summaries
- developed a waste management plan
- educated our staff
- continually monitor progress and report on results.

Our accreditation has helped us keep the Club's waste costs down as well as reducing waste to landfill.



Straws Suck Campaign

We do not supply single use plastic straws anymore but can provide paper straws on request. Helps the environment and stops our sink drains clogging up with plastic straws!



Landscaping Reuse

Our green waste from our bowling greens is added to compost, used by the ANU for their cricket pitches or used as mulch for our garden surrounds. Our home-grown composting station has been a great success. We made the compost station out of disused beer keg crates, food scraps from our kitchen and green waste from our bowling greens and gardens.



Business Energy and Water program

The RUC has used the ACT Government's Business and Energy and Water program to upgrade to more water-efficient and energy-efficient technologies, including with lighting, appliances, heating and cooling, refrigeration, toilets and tapware.

The Business Energy and Water Program helped the RUC lower operating costs by reducing water and energy. This, in turn, helps the ACT lower greenhouse gas emissions.

07.

Responsible Service

Responsible Service of Alcohol

Canberra North Bowling and ACT Rugby Union Club promotes a policy of Responsible Service of Alcohol. The Club recognises its obligation to not serve patrons to intoxication, not to serve intoxicated patrons and not to serve or supply alcohol to minors (persons under the age of eighteen years).

The following policies have been adopted to ensure the Responsible Service of Alcohol.

- A range of drinks are offered on the Club's premises. These include a range of non-alcoholic hot and cold beverages.
- The Club seeks to create an environment to discourage drunken, disruptive or violent behaviour.
- The Club does not seek to encourage rapid or excessive consumption of alcohol.
- Staff are acquainted with this house policy (employee induction handbook) and trained to implement it.
- Staff involved in the sale and/or supply of alcohol have completed and passed an approved RSA course.
- If a patron appears to be reaching an intoxicated state and continues to order alcoholic beverages, alternatives to alcohol will be offered.
- The Club only supports responsible liquor promotions.

Refusal of Service

Alcohol will not be served to a patron identified as intoxicated. A patron identified as intoxicated will be requested to vacate the premises immediately. If a patron refuses to leave the premises and police are required to attend, the patron risks a \$440 on the spot fine.

Underage Patrons

Staff are required to remain vigilant in order to detect minors seeking to enter the premises unaccompanied by a responsible adult or attempting to obtain alcohol.

- If a staff member believes a patron ordering or being supplied alcohol is under the age of 18 years, appropriate identification of proof of age (passport, photo proof of age card or drivers licence) will be requested.
- Anyone who appears to be under the age of 25 years may be checked for appropriate identification of proof of age.
- If the patron cannot or refuses to produce identification the patron will be asked to immediately vacate the premises.
- By working together we can create a safe, enjoyable and friendly atmosphere for all.

Responsible Conduct of Gaming

In partnering the ACT Government, Canberra North Bowling and ACT Rugby Union Club promotes the Responsible Conduct of Gaming.

For the vast majority of patrons, gaming is an entertaining and enjoyable pastime however like all things, it should be enjoyed in moderation.

Canberra North Bowling and ACT Rugby Union Club is a member of the ClubsACT. The Club practices the following measures to ensure that we offer patrons a responsible service of gaming:

- Staff training that promotes the responsible conduct of gaming. All staff are accredited with approved Responsible Conduct of Gaming certificates.
- Education of patrons throughout the Club so that they may seek help if they feel that gambling is becoming a problem.
- Provision of proactive assistance through the online exclusion scheme.
- Observing and practising Duty of Care through Club premises.
- Provision of educational material including; We Don't Play it Down, ACT Gambling Counselling and Support Services, and Relationships Australia.

We are committed to the Responsible Conduct of Gambling at Canberra North Bowling and ACT Rugby Union Club and advise all patrons to bet within their limits. In doing so, we hope that they enjoy gaming as an enjoyable recreation.

Think! About your choices. Call Gambling Help 1800 858 858.

Is gambling a problem for you? Relationships Australia is a confidential anonymous and free financial counselling service. Free call 1800 007 007.

08.

Financials





Canberra North Bowling Club Inc

ABN: 75 828 479 707

Financial Statements

For the Year Ended 30 June 2020

Canberra North Bowling Club Inc

ABN: 75 828 479 707

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For the Year Ended 30 June 2020

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Canberra North Bowling Club Inc

ABN: 75 828 479 707

Committee's Report For the Year Ended 30 June 2020

The directors submit the financial report of the Association for the financial year ended 30 June 2020.

1. General information

Directors

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

Names	Position	Appointed/Resigned
Alisa Taylor	President	
Greg Corliss	Vice President	
Andrew Sykes	Treasurer	
Peter Bradley	Elected Director	
B Henry	Elected Director	
H Merritt	Bowling Director	
Jim Shonk	ACTSNSWRU Appointed Director	
Vicki Fisher	ACTSNSWRU Appointed Director	Appointed: February 2020
A-M Perret	ACTSNSWRU Appointed Director	Resigned: January 2020
Steve Cottle	Bowling Director	Resigned: February 2020

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 activities of the Association during the financial year were to foster and encourage interest and participation in sport in the ACT particularly the game of Lawn Bowls and promotion of social intercourse amongst the Members and guests of the Association.

Significant changes

The following significant changes in the nature of the principal activities occurred during the financial year:

Impact of COVID-19

The Association was compulsorily shutdown on Monday the 23rd of March 2020 and reopened for 20 people per area on Friday 29 May 2020. The Club was shut to the general public for that nine-week period, costing members approximately \$35,000 in cash each month. Little or no revenue was derived from that nine-week period. From 29 May 2020 until present, the club has been trading on ACT Government enforced reduced maximum numbers of patrons. Gaming reopened on the 10th of August at ongoing enforced reduced capacity. The Club is working extremely hard to comply with all ACT and Federal Government health directions and has been audited frequently.

2. Operating results

The surplus of the Association for the financial year after providing for income tax amounted to \$ 157,394 (2019: \$ 148,084).

Canberra North Bowling Club Inc

ABN: 75 828 479 707

Committee's Report
For the Year Ended 30 June 2020

Other items

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 Association, the results of those operations or the state of affairs of the Association in future financial years.

Signed in accordance with a resolution of the Members of the Committee:

Committee member: 

Committee member: 

Date: 10.11.2020

Canberra North Bowling Club Inc

ABN: 75 828 479 707

**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2020**

		2020	2019
	Note	\$	\$
Revenue and other income	4	2,374,101	2,434,220
Advertising and promotion expenses		(78,091)	(69,839)
Administrative expenses		(573,460)	(637,929)
Depreciation expense	9(a)	(240,267)	(219,669)
Employment expenses		(112,613)	(108,435)
Management expenses		(934,720)	(919,693)
Poker machine expenses		(277,556)	(330,571)
Surplus before income tax		157,394	148,084
Income tax expense	3(a)	-	-
Surplus for the year		157,394	148,084
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		157,394	148,084

The accompanying notes form part of these financial statements.

Canberra North Bowling Club Inc

ABN: 75 828 479 707

**Statement of Assets and Liabilities
As At 30 June 2020**

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	366,952	283,051
Trade and other receivables	6	7,911	55,068
Inventories	7	31,019	39,932
Other assets	8	6,306	10,965
TOTAL CURRENT ASSETS		412,188	389,016
NON-CURRENT ASSETS			
Property, plant and equipment	9	6,980,444	6,644,247
TOTAL NON-CURRENT ASSETS		6,980,444	6,644,247
TOTAL ASSETS		7,392,632	7,033,263
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	130,039	202,475
Financial liabilities	10	72,191	-
Employee benefits	12	50,039	57,715
Other liabilities	13	23,000	-
TOTAL CURRENT LIABILITIES		275,269	260,190
NON-CURRENT LIABILITIES			
Financial liabilities	10	895,109	709,709
Employee benefits	12	2,092	595
TOTAL NON-CURRENT LIABILITIES		897,201	710,304
TOTAL LIABILITIES		1,172,470	970,494
NET ASSETS		6,220,162	6,062,769
MEMBERS' FUNDS			
Asset revaluation surplus		4,516,425	4,516,425
Retained surplus		1,703,737	1,546,343
TOTAL MEMBERS' FUNDS		6,220,162	6,062,768

The accompanying notes form part of these financial statements.

Canberra North Bowling Club Inc

ABN: 75 828 479 707

Statement of Changes in Equity For the Year Ended 30 June 2020

2020

	Retained Surplus	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2019	1,546,343	4,516,425	6,062,768
Surplus for the year	157,394	-	157,394
Balance at 30 June 2020	1,703,737	4,516,425	6,220,162

2019

	Retained Surplus	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2018	1,398,259	4,516,425	5,914,684
Surplus for the year	148,084	-	148,084
Balance at 30 June 2019	1,546,343	4,516,425	6,062,768

The accompanying notes form part of these financial statements.

Canberra North Bowling Club Inc

ABN: 75 828 479 707

**Statement of Cash Flows
For the Year Ended 30 June 2020**

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	2,851,355	2,816,196
Payments to suppliers and employees	(2,403,333)	(2,407,375)
Interest received	7	260
Interest paid	(44,170)	(49,197)
Net cash provided by operating activities	<u>403,859</u>	<u>359,884</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(325,468)	(193,187)
Proceeds from sale of assets	37,500	120,000
Net cash (used in) investing activities	<u>(287,968)</u>	<u>(73,187)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	11,927	-
Repayment of borrowings	(43,917)	(77,349)
Net cash provided by/(used in) financing activities	<u>(31,990)</u>	<u>(77,349)</u>
Net increase in cash and cash equivalents held	83,901	209,348
Cash and cash equivalents at beginning of year	283,051	73,703
Cash and cash equivalents at end of financial year	5 <u>366,952</u>	<u>283,051</u>

The accompanying notes form part of these financial statements.

Canberra North Bowling Club Inc

ABN: 75 828 479 707

Notes to the Financial Statements For the Year Ended 30 June 2020

The financial statements cover Canberra North Bowling Club Inc as an individual entity. Canberra North Bowling Club Inc is a not-for-profit Association incorporated in the Australian Capital Territory under the *Associations Incorporation Act (ACT) 1991* ('the Act').

The functional and presentation currency of Canberra North Bowling Club Inc is Australian dollars.

1 Basis of Preparation

The Committee of Management have prepared the financial statements on the basis that the Association is non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Associations Incorporation Act (ACT) 1991*. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

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

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

The key changes to the Association's accounting policies and the impact on these financial statements from applying AASB 15 and AASB 1058 are described below.

Transfer of control to a customer - over time or at a point in time

AASB 15 has specific criteria regarding whether control is transferred over time or at a point in time. The Association has reviewed its contracts and concluded that the criteria for recognition over time is not met in some circumstances. In such cases, revenue and related production costs will be recognised at the delivery of each separate performance obligation instead of over the contract using a single margin.

In certain circumstances, AASB 15 considers work in progress to be controlled by the customer, in which case it would be inappropriate for the Association to recognise work in progress as an asset. As a result, the Association will use a method which will reflect the over time transfer of control when sold assets have no alternative use to the final customer.

Canberra North Bowling Club Inc

ABN: 75 828 479 707

Notes to the Financial Statements For the Year Ended 30 June 2020

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

Income of Not-for-Profit Entities - Adoption of AASB 1058

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. The new income recognition requirements shift the focus from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations.

The core principle of the new income recognition requirements in AASB 1058 is when a NFP entity enters into transactions where the consideration to acquire an asset that is significantly less than fair value of the asset principally to enable the entity to further its objectives, the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately.

Where there is an 'enforceable' contract with a customer with 'sufficiently specific performance obligations, income is recognised when (or as) the performance obligations are satisfied under AASB 15, as opposed to immediate income recognition under AASB 1058.

Impact of adoption of AASB 15 and AASB 1058

The Association has assessed the impact of adopting the new revenue standards and it was determined that the adoption of these new standards had no significant impact on the Association's current revenue streams.

Leases - Adoption of AASB 16

The Association has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

Impact of adoption of AASB 16

The impact of adopting AASB 16 is described below:

Association as a lessee

Under AASB 117, the Association assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Association or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of assets and liabilities (except for short-term leases and leases of low value assets).

The Association has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

The adoption of the standard has no material impact on the transaction and balances recognised in the financial statements.

Canberra North Bowling Club Inc

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Notes to the Financial Statements For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(a) Income tax

Under the concept of mutuality, the Association is only assessed for income tax on the portion of income derived from non-members and other external sources.

The association adopts the liability method of tax effect of accounting whereby the income tax expense shown in the Statement of Financial Performance is based on the profit from ordinary activities before income tax adjusted for any permanent difference.

(b) Revenue and other income

For comparative year

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

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

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

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Interest revenue

Interest revenue is recognised when received.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Membership income

Membership income is recognised on an accruals basis when the Association is entitled to it.

Canberra North Bowling Club Inc

ABN: 75 828 479 707

Notes to the Financial Statements For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(b) Revenue and other income

Revenue from contracts with customers

For current year

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

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

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

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

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

Sale of goods

Revenue associated with the sale of goods is recognised when the performance obligation of the sale has been fulfilled and control of the goods has transferred to the customer, which occurs when the goods are collected/delivered.

Interest revenue

Interest is recognised using the effective interest method.

Membership income

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Canberra North Bowling Club Inc

ABN: 75 828 479 707

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(c) 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 Tax Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of assets and liabilities.

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.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(e) Property, plant and equipment

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

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

Depreciation

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

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

(f) Financial instruments

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

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

Financial assets

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

Canberra North Bowling Club Inc

ABN: 75 828 479 707

Notes to the Financial Statements For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

Classification

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

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

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

Amortised cost

Assets measured at amortised cost are financial assets where:

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

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

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

Interest income are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Association have no strategic investments in listed and unlisted entities over which are they do not have significant influence nor control.

Financial assets through profit or loss

The Association does not hold any assets that fall into this category.

Canberra North Bowling Club Inc

ABN: 75 828 479 707

Notes to the Financial Statements For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

Impairment of financial assets

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

- financial assets measured at amortised cost

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

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

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

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

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

Trade receivables

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

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

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

Other financial assets measured at amortised cost

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

Canberra North Bowling Club Inc

ABN: 75 828 479 707

Notes to the Financial Statements For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial liabilities

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

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

Impairment of Financial Assets

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

Financial assets at amortised cost

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

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

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(g) Cash and cash equivalents

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

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of assets and liabilities.

(h) Employee benefits

Provision is made for the Association's liability for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

(i) Provisions

Provisions are recognised when the Association 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.

Canberra North Bowling Club Inc

ABN: 75 828 479 707

Notes to the Financial Statements For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(j) Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association or refer to Note 2 for details of the changes due to standards adopted.

4 Revenue and Other Income

	2020	2019
	\$	\$
- Bar income	1,337,896	1,393,027
- Barefoot bowls	227,281	232,499
- Carpark permit	33,552	43,516
- Commissions	40,183	40,417
- Insurance recovery	84,091	-
- Green fees	33,698	44,951
- Interest income	7	260
- Meat raffles	32,384	23,545
- JobKeeper subsidy	15,000	-
- Cash Flow Boost	15,000	-
- Member subscriptions	21,936	19,886
- Miscellaneous income	32,321	1,562
- Poker machine income	451,736	572,914
- Profit on sale of plant and equipment	525	-
- Rental income	48,491	61,643
Total revenue	2,374,101	2,434,220

5 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash on hand	704	704
Bank balances	306,584	187,283
Floats and hoppers	59,664	95,064
	366,952	283,051

Canberra North Bowling Club Inc

ABN: 75 828 479 707

Notes to the Financial Statements For the Year Ended 30 June 2020

5 Cash and Cash Equivalents

(a) Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of assets and liabilities as follows:

	2020	2019
	\$	\$
Cash and cash equivalents	366,952	283,051
Balance as per statement of cash flows	366,952	283,051

6 Trade and Other Receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	5,963	33,666
Other receivables	1,948	21,402
Total current trade and other receivables	7,911	55,068

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

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

7 Inventories

	2020	2019
	\$	\$
CURRENT		
Alcoholic beverages	31,019	39,932
	31,019	39,932

8 Other Assets

	2020	2019
	\$	\$
CURRENT		
Prepayments	306	965
Accrued income	6,000	-
Deposits	-	10,000
	6,306	10,965

Canberra North Bowling Club Inc

ABN: 75 828 479 707

**Notes to the Financial Statements
For the Year Ended 30 June 2020****9 Property, plant and equipment**

	2020 \$	2019 \$
Land & Buildings		
Leasehold land at fair value	4,000,000	4,000,000
Property improvements	1,186,237	1,035,322
Accumulated depreciation	(158,715)	(131,554)
Total land and buildings	<u>5,027,522</u>	<u>4,903,768</u>
Plant and equipment		
At cost	391,633	391,633
Accumulated depreciation	(314,139)	(277,053)
Total plant and equipment	<u>77,494</u>	<u>114,580</u>
Furniture, fixtures and fittings		
At cost	79,673	68,898
Accumulated depreciation	(24,973)	(18,475)
Total furniture, fixtures and fittings	<u>54,700</u>	<u>50,423</u>
Motor vehicles		
At cost	212,762	103,119
Accumulated depreciation	(60,267)	(44,511)
Total motor vehicles	<u>152,495</u>	<u>58,608</u>
Office equipment		
At cost	86,823	86,823
Accumulated depreciation	(61,630)	(55,117)
Total office equipment	<u>25,193</u>	<u>31,706</u>
Computer equipment		
At cost	59,250	59,250
Accumulated depreciation	(54,224)	(53,479)
Total computer equipment	<u>5,026</u>	<u>5,771</u>
Computer software		
At cost	124,500	124,500
Accumulated depreciation	(71,588)	(65,363)
Total computer software	<u>52,912</u>	<u>59,137</u>
Kitchen equipment		
At cost	214,283	167,848
Accumulated depreciation	(117,244)	(106,196)
Total kitchen equipment	<u>97,039</u>	<u>61,652</u>

Canberra North Bowling Club Inc

ABN: 75 828 479 707

**Notes to the Financial Statements
For the Year Ended 30 June 2020****9 Property, plant and equipment**

Poker machines

At cost

1,231,726 **1,077,497**

Accumulated depreciation

(622,367) **(540,461)**

Total poker machines

609,359 **537,036**

Greens

At cost

7,958 **7,958**

Accumulated depreciation

(2,161) **(1,763)**

Total greens

5,797 **6,195**

Redevelopment costs

At cost

938,773 **857,721**

Accumulated depreciation

(65,866) **(42,350)**

Total redevelopment costs

872,907 **815,371**

Total property, plant and equipment

6,980,444 **6,644,247**

Canberra North Bowling Club Inc

ABN: 75 828 479 707

Notes to the Financial Statements For the Year Ended 30 June 2020

9 Property, plant and equipment

(a) Movements in Carrying Amounts

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

	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Bar Equipment	Office Equipment	Greens Equipment	Water Harvest equipment	Kitchen equipment	Poker machines	Greens	Redevelopment costs	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2020												
Balance at the beginning of year	4,903,768	114,580	50,423	58,608	31,706	5,771	59,137	61,652	537,036	6,195	815,371	6,644,247
Additions	167,061	-	10,775	109,643	-	-	-	48,435	214,620	-	81,052	629,586
Disposals	(16,146)	-	-	-	-	-	-	-	(36,975)	-	-	(53,121)
Depreciation expense	(27,161)	(37,086)	(6,498)	(15,756)	(6,513)	(745)	(6,225)	(11,048)	(105,322)	(398)	(23,516)	(240,268)
Balance at the end of the year	5,027,522	77,494	54,700	152,495	25,193	5,026	52,912	97,039	609,359	5,797	872,907	6,980,444

(b) Land Valuation

The valuation of the land for 54 McCaughey Street, Turner ACT was \$4,000,000 and was based on the estimated (fair) value of the land in an open market. The valuation was carried out as at 30 June 2017 by Jones Lang LaSalle Advisory Services Pty Ltd (JLL).

The Director's used JLL's and CBRE valuation on similar properties and it is of the directors view that the JLL valuation is understated on the basis that similar properties were valued between \$5-\$5.5 million. Therefore, the directors believed the increase was for \$4 million to \$5 million

Canberra North Bowling Club Inc

ABN: 75 828 479 707

Notes to the Financial Statements

For the Year Ended 30 June 2020

10 Financial liabilities

	2020	2019
	\$	\$
CURRENT		
Mortgage loans	24,677	-
Total current borrowings	24,677	-
NON-CURRENT		
Mortgage loans	71,531	-
Bank loans	721,637	709,709
Total non-current borrowings	793,168	709,709

The bank loan is secured by a registered first mortgage over certain leasehold properties owned by the Association.

11 Trade and Other Payables

	2020	2019
	\$	\$
CURRENT		
Trade payables	96,268	158,605
Accrued expense	18,583	16,393
GST payable	-	5,702
Other payables	15,188	21,775
Total	130,039	202,475

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

Canberra North Bowling Club Inc

ABN: 75 828 479 707

Notes to the Financial Statements For the Year Ended 30 June 2020

12 Employee Benefits

	2020	2019
	\$	\$
CURRENT		
Long service leave	30,794	29,576
Provision for annual leave	19,245	28,139
	<u>50,039</u>	<u>57,715</u>
	2020	2019
	\$	\$
NON-CURRENT		
Long service leave	2,092	595
	<u>2,092</u>	<u>595</u>

13 Other Liabilities

	2020	2019
	\$	\$
CURRENT		
Amounts received in advance	23,000	-
	<u>23,000</u>	<u>-</u>

14 Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

15 In-kind donations

Total in-kind donations received in financial year end 30 June 2020 was \$22,797 (2019: \$33,550)

Canberra North Bowling Club Inc

ABN: 75 828 479 707

Notes to the Financial Statements For the Year Ended 30 June 2020

16 Events after the end of the Reporting Period

COVID-19

The COVID-19 outbreak has impacted the way of life in Australia. This has affected the ability of the Association to continue operations as usual and has impacted on its operating results. In accordance with national guidelines, the Association has implemented arrangements in response to government requirements and to ensure the wellbeing and safety of all employees and visitors.

The Association has determined that there are no going concern risks arising from the impact of the COVID-19 outbreak. The Board Members have determined that the Association remains in a healthy cash position and retained stable revenue streams for the 2021 financial year.

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

17 Association Details

The registered office of the Association is:
Canberra North Bowling Club Inc
54 McCaughey Street
Turner ACT 2612

18 The Gaming Machine Act 2004: Disclosure

GST amounts are included in the poker machine cash cleared only.

	2020 \$	2019 \$
Poker Machine Trading		
Gross Takings	451,736	572,914
	<u>451,736</u>	<u>572,914</u>
Less: Cost of goods		
Depreciation	105,322	101,319
Repairs and Maintenance	54,239	50,589
Poker Machine Tax	18,489	29,218
Gambling Assistance Fund	5,041	4,715
Sponsorship and Donations	40,653	50,189
Member Competitions	1,363	724
Bonus Point Redemption	4,844	6,506
Poker Machine Compliance	170,190	185,550
Licensing	1,069	2,080
	<u>401,210</u>	<u>430,890</u>
Gross Surplus from Gaming	<u>50,526</u>	<u>142,024</u>

Canberra North Bowling Club Inc

ABN: 75 828 479 707

Notes to the Financial Statements For the Year Ended 30 June 2020

18 The Gaming Machine Act 2004: Disclosure

(a) Section 54(a) of the Gaming Machine Act 2004 - Contracts with influential persons :

The Club has entered a management agreement with Capital Gemini Group to act as operations managers of the licenced club.

(b) Section 54(b) of the Gaming Machine Act 2004 - contractual arrangements or consultancies with remuneration greater than \$99,999

None

(c) Section 54(c) of the Gaming Machine Act 2004 - contractual arrangements or consultancies with remuneration equal to or more than \$150,000

None

(d) Section 54(d) of the Gaming Machine Act 2004 - any benefits taken by a person during the financial year.

None

Canberra North Bowling Club Inc

ABN: 75 828 479 707

Statement by Members of the Committee

The committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 3 to the financial statements.

In the opinion of the committee the financial report as set out on pages 3 to 23:

1. Presents fairly the financial position of Canberra North Bowling Club Inc as at 30 June 2020 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Canberra North Bowling Club Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

President 

Treasurer 

Dated 10.11.2020

Canberra North Bowling Club Inc

Independent Audit Report to the members of Canberra North Bowling Club Inc

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Canberra North Bowling Club Inc (the Association), which comprises the statement of assets and liabilities as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the committee.

In our opinion, the accompanying financial report of the Association for the year ended 30 June 2020 is prepared, in all material respects, in accordance with the Associations Incorporation Act (ACT) 1991.

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 Association in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Association in its reporting requirements. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Association and should not be distributed to or used by parties other than the Association. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Act (ACT) 1991, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Association's financial reporting process.

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.

Canberra North Bowling Club Inc

Independent Audit Report to the members of Canberra North Bowling Club Inc


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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's 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 Association'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 reporter, 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 Association 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 management 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.



Hardwickes
Chartered Accountants



Bhaumik Bumia CA
Partner

Canberra

Date: 10 November 2020

Canberra North Bowling Club Inc

ABN: 75 828 479 707

For the Year Ended 30 June 2020**Detailed Statement of Profit or Loss**

	2020	2019
	\$	\$
Income		
Bar income	1,337,896	1,393,027
Barefoot bowls	227,281	232,499
Carpark permit	33,552	43,516
Cash Flow Boost	15,000	-
Commissions	40,183	40,417
Green fees	33,698	44,951
Insurance recovery	84,091	-
Interest income	7	260
JobKeeper subsidy	15,000	-
Meat raffles	32,384	23,545
Member subscriptions	21,936	19,886
Miscellaneous income	32,321	1,562
Profit on sale of fixed assets	525	-
Poker machine income	451,736	572,914
Rental income	48,491	61,643
	2,374,101	2,434,220
Expenditure		
Accounting fees	9,540	10,913
Advertising and promotion expenses	78,091	69,839
Bank charges	3,957	6,347
Cleaning and laundry	46,711	50,788
Cost of bowls	2,142	4,768
Depreciation	134,945	118,351
Depreciation poker machines	105,322	101,319
Electricity and gas	90,069	97,966
Glassware - Bar	6,380	10,220
Holiday leave	(8,894)	8,911
Insurance	32,258	25,745
Interest paid	45,779	49,197
Juke box hire	3,052	4,309
Kitchen supplies	5,170	4,136
Licence fees	8,538	6,523
Long service leave	2,716	1,630
Management expenses	934,720	912,111
Materials and supplies	21,235	23,899
Meat raffle costs	25,640	23,405
Members amenities	57,440	84,604
Minor equipment expense	-	3,266
Office expense	720	6,184
Poker machine cost	277,556	330,571
Printing and stationery	6,695	7,791
Rates and taxes	10,678	13,721
Repairs and maintenance	43,345	43,974
Security costs	13,330	22,614

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Canberra North Bowling Club Inc

ABN: 75 828 479 707

For the Year Ended 30 June 2020

Detailed Statement of Profit or Loss

	2020	2019
	\$	\$
Staff expenses	26,652	21,961
Stock audit	4,100	3,900
Sundry expenses	44,309	44,110
Superannuation contributions	8,791	8,894
Telephone and internet	38,631	30,769
Wages and salaries	98,707	95,363
Workers compensation insurance	2,398	2,549
Waste removal and pest control	12,386	12,869
Water and sewerage	23,598	22,619
	2,216,707	2,286,136
Surplus before income taxes	157,394	148,084
Income tax expense	-	-
Surplus for the year	-	148,084
Retained profit at the beginning of the financial year	1,546,343	1,398,259
Retained profit at the end of the financial year	1,703,737	1,546,343





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Canberra North Bowling Club Incorporated

Independent Audit Report to the members of Canberra North Bowling Club Incorporated

Scope

We have audited the attached Community Purpose Contribution Statements for the Canberra North Bowling Club Incorporated for the period 1 July 2019 to 30 June 2020. The Club's directors are responsible for the community purpose contribution statements and have determined that the reporting policies used which form the statements are consistent with the community purpose contribution reporting requirements of the *Gaming Machine Act 2004 (Act)*. We have conducted an independent audit of the community purpose statement in order to express an opinion on it to the members and stakeholders of Canberra North Bowling Club Incorporated. No opinion is expressed as to whether the reporting policies used are appropriate to the needs of members.


We disclaim any assumption of responsibility for any reliance on this report to any person other than the members, for any purpose other than that for which it was prepared.

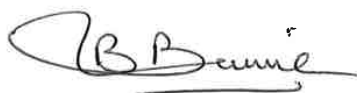
Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the community purpose contribution statement. These procedures have been undertaken to form an opinion whether, in all material respects, the community purpose contribution statements are presented fairly in accordance with the requirements of the *Gaming Machine Act 2004 (Act)*.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the community purpose contribution statement presents fairly in accordance with the requirements of the *Gaming Machine Act 2004 (Act)* for Canberra North Bowling Club Incorporated for the period 1 July 2019 to 30 June 2020.


Hardwickes
Chartered Accountants



Bhaumik Bumia CA
Partner

Canberra
12 November 2020



Date:

Mr Bhaumik Bumia
Hardwicks Chartered Accountants
PO Box 322
CURTIN ACT 2605

Dear Mr Bumia

This representation letter is provided in connection with your audit of the financial report of Canberra North Bowling Club Inc for the year ended 30 June 2020 for the purpose of you expressing an opinion as to whether the financial report gives a true and fair view in accordance with Australian Accounting Standards and the *Associations Incorporation Act 1991*

We confirm that:

Financial Report

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated 4 September 2020 for the preparation of the financial report in accordance with Australian Accounting Standards and the *Associations Incorporation Act 1991* in particular the financial report gives a true and fair view in accordance therewith.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
3. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Australian Accounting Standards.
4. All events subsequent to the date of the financial report and for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
5. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial report as a whole. At the end of the audit process, there were no material uncorrected misstatements identified during the audit.
6. The association has complied with all aspects of contractual agreements that could have a material effect on the financial report in the event of non-compliance.
7. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial report in the event of non-compliance.
8. The association has satisfactory title to all assets and there are no liens or encumbrances on the association's assets.

Information Provided

9. We have provided you with:

- a. Access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
10. All transactions have been recorded in the accounting records and are reflected in the financial report.
11. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
12. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
- a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial report.
13. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, analysts, regulators or others.
14. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial report.
15. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
16. We have provided you with all requested information, explanations and assistance for the purposes of the audit.

Yours faithfully



Signatory name:

Signatory title:

Signing on behalf of the committee members

54 McCaughey Street, Turner ACT
PO Box 6038 O'Connor ACT 2612
ABN: 75 828 479 707

