Leichhardt Bowling and Recreation Club Limited

ABN 29 000 896 560

Annual Report - 30 June 2019

Leichhardt Bowling and Recreation Club Limited
Contents
30 June 2019

Leichhardt Bowling and Recreation Club Limited
Directors' report
30 June 2019

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2019.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Scott Bowers
Gary Talbot
Alistair Scott (appointed 4 November 2018)
Gregory King (appointed 28 January 2019)
David Arnott (resigned 4 November 2018)
Edward Burgess (resigned 4 November 2018)
Kathleen Scott (resigned 27 May 2019)
David Smedley (resigned 28 January 2019)
Rhonda McCartney (resigned 19 April 2019)

Principal activities

During the financial year the principal activity of the company consisted of:

- Registered Sports Club.

Results for the year

The deficit of the company for the financial year amounted to $70,929 (2018: deficit of $242,692).

Objectives

Short term objectives

- Maintain the financial viability of the club.
- Promote and support the sporting activities of the club.
- Ensure social activities are supported by the club.

Long term objectives

- Maintain and improve the financial position of the club.
- Ensure that the club's facilities are maintained and developed for sporting and social activities.

Strategy for achieving the objectives

To achieve its stated objectives, the company has adopted the following strategies:

- Employment of necessary management personnel.
- Implementation of management systems.
- Maintenance of the club premises and plant.
- Co-ordination of sporting and social activities.

Key performance measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are be achieved.

Information on directors

Name:	Scott Bowers
Title:	Deputy Chair / Acting Chair
Qualifications:	Company director
Experience and expertise:	Sales and business development manager, 2 years experience as club director
Special responsibilities:	Director

Name:	Gregory King
Title:	Director
Qualifications:	Company Director
Experience and expertise:	7 years experience as club director
Special responsibilities:	Social and Entertainment Director

Name:	Gary Talbot
Title:	Director
Qualifications:	Union official 28 years
Experience and expertise:	1 year club director
Special responsibilities:	Director

Name:	Alistair Scott
Title:	Director
Qualifications:	Company director
Experience and expertise:	8 months experience as club director
Special responsibilities:	Marketing Director

Name:	Edward Burgess (resigned 4 November 2018)
Title:	Director
Qualifications:	Retired
Experience and expertise:	15 years experience as club director
Special responsibilities:	Director

Name:	Kathleen Scott (resigned 27 May 2019)
Title:	Ex-Chairman
Qualifications:	Company Director
Experience and expertise:	Foundation and Management Collaboration (AICD), 4 years experience as club director
Special responsibilities:	Restaurant Operations, Social

Name:	Rhonda McCartney (resigned 19 April 2019)
Title:	Director
Qualifications:	Company Director
Experience and expertise:	Gaming Manager South Sydney Juniors, 3 years experience as club director
Special responsibilities:	Director

Name:	David Arnott (resigned 4 November 2018)
Title:	Ex-Treasurer
Qualifications:	CPA, FAICD
Experience and expertise:	Accounting and Finance
Special responsibilities:	Treasurer

Name:	David Smedley (resigned 28 January 2019)
Title:	Director
Qualifications:	Comm (Journalism)
Experience and expertise:	1 year experience as club director
Special responsibilities:	Director

Indemnifying officer or auditor

During the year, the Company effected a Directors and Officer's liability policy. The insurance policy provides cover for the Directors named in this report, the company secretary, officers and former Directors and Officers of the Company.

The policy prohibits the disclosure of the nature of the indemnification and the insurance cover, and the amount of the premium.

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been an auditor of the Company.

Leichhardt Bowling and Recreation Club Limited
Directors' report
30 June 2019

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2019, and the number of meetings attended by each director were:

	Eligible Meetings	Meetings Attended
Scott Bowers	13	12
Gary Talbot	13	10
Alistair Scott	8	7
Gregory King	5	5
Kathleen Scott	13	10
Rhonda McCartney	10	6
David Smedley	8	6
David Arnott	3	3
Edward Burgess	3	-

Held: represents the number of meetings held during the time the director held office.

Events after balance 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.

Contributions on winding up
In the event of the company being wound up, ordinary members are required to contribute a maximum of $5.00 each towards meeting any outstanding obligations of the company.

The total amount that members of the company are liable to contribute if the company is wound up is $6,640 (30 June 2018: $6,905), based on 1,328 (30 June 2018: $1,381) current ordinary members.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Scott Bowers
Director

~~1 February 2020~~ 7/2/2020

Gregory King
Director

Unit 1, 1 Pioneer Avenue
PO Box 3399
Tuggerah NSW 2259

T: (02) 4353 2333
F: (02) 4351 2477

e: mail@bishopcollins.com.au

BISHOP COLLINS
AUDIT PTY LTD
ABN: 98 159 109 305

Level 13
333 George Street
Sydney NSW 2000

w: www.bishopcollins.com.au

INDEPENDENT AUDITOR'S DECLARATION TO THE MEMBERS OF LEICHHARDT BOWLING & RECREATION CLUB LTD

We hereby declare that to the best of our knowledge and belief during the year ended 30 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 contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm	Bishop Collins Audit Pty Ltd Chartered Accountants
Name of Registered Company Auditor	Martin Le Marchant
Auditor's Registration No.	431227
Address	Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated 7 February 2020

Unit 1, 1 Pioneer Avenue
PO Box 3399
Tuggerah NSW 2259

T: (02) 4353 2333
F: (02) 4351 2477

e: mail@bishopcollins.com.au

BISHOP COLLINS
AUDIT PTY LTD
ABN: 98 159 109 305

Level 13
333 George Street
Sydney NSW 2000

w: www.bishopcollins.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICHHARDT BOWLING & RECREATION CLUB LIMITED

Adverse Auditor's Opinion

We have audited the accompanying financial report of Leichhardt Bowling & Recreation Club Limited ("the Company") which comprises the statement of financial position as at 30 June 2019, statement of profit or loss and other 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.

In our opinion, because of the significance of the matters described in the Basis for Adverse Auditor's Opinion section of our report, the financial report of Leichhardt Bowling & Recreation Club Limited is not in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

Basis for Adverse Auditor's Opinion

The financial report of the Company includes land and buildings with a written down value of $13,388,997. In accordance with Australian Accounting Standards, the accounting policy of the Company requires assets held at fair value be revalued on a periodic basis. We were unable to obtain sufficient appropriate audit evidence in respect of carrying value of land and buildings measured at fair value and disclosed in the 30 June 2019 financial report.

Current liabilities reported in the statement of financial position do not include trade creditors of at least $85,825. Accordingly this represents a departure from the Australian Accounting Standards. Due to limitations imposed on the audit we are unable to reliably estimate, or satisfy ourselves by alternative means, the further financial effects on trade creditors reported in the statement of financial position and expenses included in the statement of profit or loss and other comprehensive income and whether these are complete.

The financial report has been prepared on a going concern basis. As detailed in Note 2 in the financial report, the Company's current liabilities exceed its current assets by $34,766 as at 30 June 2019. This situation, along with the matters outlined in the Basis for Adverse Auditor's Opinion paragraphs, indicates the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial report (and notes thereto) does not adequately disclose this fact.

Further, due to limitations imposed on our audit that are a result of Company's inadequate and incomplete books and records, we have been unable to obtain all the necessary information and explanations we require to permit the application of the necessary audit procedures in order to form an opinion on the financial report. As a result of this matter, we were unable to determine whether any adjustments might have been necessary in respect of any elements making up the Company's financial report.

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 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; and we have 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 of our adverse opinion.

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements to the extent described in Note 2 to the financial report, the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 in the preparation of the financial report. We also conclude, 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 disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. 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.

Report on Other Legal and Regulatory Requirements

Due to the significance of the matters described in the Basis for Adverse Auditor's Opinion section of our report, we have not been given all information, explanations and assistance necessary for the conduct of the audit. We are unable to determine whether the Company has kept:

(a) Financial records sufficient to enable the financial report to be prepared and audited; and

(b) Other records and registers as required by section 286 of the *Corporations Act 2001*.

Name of Firm	Bishop Collins Audit Pty Ltd Chartered Accountants
Name of Registered Company Auditor	Martin Le Marchant
Auditor's Registration No.	431227
Address	Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated 7 February 2020

Leichhardt Bowling and Recreation Club Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

	Note	2019 $	2018 $
Revenue	4	1,257,833	1,438,340
Interest revenue		195	633
Expenses			
Employee benefits expenses		(352,234)	(550,255)
Cost of goods sold		(305,384)	(388,205)
Maintenance expenses		(153,048)	(136,394)
Utilities expenses		(83,465)	(130,054)
Membership expenses		(4,630)	-
Depreciation expenses		(107,269)	(113,362)
Promotions and raffles		(48,949)	(81,368)
Cleaning expenses		(8,875)	(41,295)
Insurance expenses		(67,258)	(43,775)
Gaming fees		-	(18,721)
IT and computer expenses		(16,936)	(14,641)
Entertainment expenses		(57,239)	(69,479)
Audit and legal fees		(33,700)	(13,000)
Advertising expenses		(15,037)	(17,261)
Rental expenses		(7,219)	(9,179)
Finance costs		(5,153)	(5,390)
Bowling, trophies and tournament expenses		-	(5,467)
Sponsorship and donation expenses		(6,501)	(1,636)
Other expenses		(56,060)	(42,183)
Deficit for the year attributable to the members of Leichhardt Bowling and Recreation Club Limited	18	(70,929)	(242,692)
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to the members of Leichhardt Bowling and Recreation Club Limited		(70,929)	(242,692)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Leichhardt Bowling and Recreation Club Limited
Statement of financial position
As at 30 June 2019

	Note	2019 $	2018 $
Assets			
Current assets			
Cash at bank and cash on hand	5	140,640	164,468
Trade and other receivables	6	-	18
Inventories	7	24,897	24,897
Other	8	1,960	29,269
Total current assets		167,497	218,652
Non-current assets			
Other financial assets	9	2,430	2,487
Property, plant and equipment	10	13,715,114	13,822,382
Total non-current assets		13,717,544	13,824,869
Total assets		13,885,041	14,043,521
Liabilities			
Current liabilities			
Trade and other payables	11	123,819	157,457
Borrowings	12	-	14,664
Employee benefits	13	78,444	113,188
Other liabilities	14	-	3,860
Total current liabilities		202,263	289,169
Non-current liabilities			
Employee benefits	16	-	645
Total non-current liabilities		-	645
Total liabilities		202,263	289,814
Net assets		13,682,778	13,753,707
Equity			
Reserves	17	11,284,666	11,284,666
Retained surpluses	18	2,398,112	2,469,041
Total equity		13,682,778	13,753,707

The above statement of financial position should be read in conjunction with the accompanying notes

Leichhardt Bowling and Recreation Club Limited
Statement of changes in equity
For the year ended 30 June 2019

	Reserves $	Retained surplus $	Total equity $
Balance at 1 July 2017	11,284,666	2,711,733	13,996,399
Deficit for the year	-	(242,692)	(242,692)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(242,692)	(242,692)
Balance at 30 June 2018	11,284,666	2,469,041	13,753,707

	Reserves $	Retained surplus $	Total equity $
Balance at 1 July 2018	11,284,666	2,469,041	13,753,707
Deficit for the year	-	(70,929)	(70,929)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(70,929)	(70,929)
Balance at 30 June 2019	11,284,666	2,398,112	13,682,778

The above statement of changes in equity should be read in conjunction with the accompanying notes

Leichhardt Bowling and Recreation Club Limited
Statement of cash flows
For the year ended 30 June 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,364,736	1,564,251
Payments to suppliers and employees (inclusive of GST)		(1,386,122)	(1,582,719)
Government Subsidies		17,180	17,180
Interest received		195	633
Interest paid		(5,153)	(5,390)
Net cash used in operating activities		(9,164)	(6,045)
Cash flows from investing activities			
Payments for property, plant and equipment	10	-	(42,829)
Net cash used in investing activities		-	(42,829)
Cash flows from financing activities			
Proceeds from borrowings		-	382
Repayment of lease liabilities		(8,000)	-
Net cash from/(used in) financing activities		(8,000)	382
Net decrease in cash and cash equivalents		(17,164)	(48,492)
Cash and cash equivalents at the beginning of the financial year		157,804	206,296
Cash and cash equivalents at the end of the financial year	5	140,640	157,804

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Leichhardt Bowling and Recreation Club Limited as an individual entity. The financial statements are presented in Australian dollars, which is Leichhardt Bowling and Recreation Club Limited's functional and presentation currency.

Leichhardt Bowling and Recreation Club Limited is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 7 February 2020. The directors do not have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

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

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

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

New Standards and Interpretations not yet adopted

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for financial years starting on or after 1 January 2019 and will be applicable in the 2020 financial year. The Company has not opted for early adoption of these standards.

AASB 16 Leases – The revised standard removes the distinction between operating and finance leases for leases. The standard requires rights and obligations relating to most leases to be recognised on the balance sheet. The Company has not yet considered the impact of all leases and agreements currently in place.

AASB 15 Revenue from Contracts with Customers – This standard moves the revenue recognition focus from transaction level to a contractual rights and obligations basis. The Company has not yet considered the impact of this standard.

AASB 1058 Income for Not for Profits – This standard primarily applies to income not accounted for under AASB 15. This standard establishes principles applying to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives and the receipt of volunteer services. The changes in revenue recognition requirements in AASB 1058 may cause changes to the timing and amount of income recorded in the financial statements as well as additional disclosures. This includes contributions of assets at less than fair value, peppercorn leases and volunteer services.

Going concern

As at 30 June 2019, the Company's current liabilities ($202,263) exceed its current assets ($167,497) by $34,766. Notwithstanding this deficiency, and the net deficit for the year of $70,929, the financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the extinguishment of liabilities in the ordinary course of business.

Basis of preparation

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

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Note 2. Significant accounting policies (continued)

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Revenue recognition
Revenue is recognised when it is probable that economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods
Revenue from the sale of goods is recognised at the point of sale, which is where the customer has taken delivery of the goods. Amounts disclosed as revenue are net of sales returns and trade discounts.

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

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

Income tax
As the company is a tax exempt institution in terms of subsection 50-10 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

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

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

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

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

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Inventories
Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Note 2. Significant accounting policies (continued)

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

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

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

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

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Property, plant and equipment
Land and buildings are held at fair value, based on periodic, at least every 3 -5 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

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

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available 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.

Note 2. Significant accounting policies (continued)

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

Buildings	0.5% - 2.50%
Plant and equipment	20% - 50%
Leased Plant and equipment	20%

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

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained surplus.

Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

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

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 2. Significant accounting policies (continued)

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

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

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

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

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

Provision for impairment of inventories
The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

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

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

Employee benefits provision
As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4. Revenue

	2019 $	2018 $
Sales revenue		
Bar revenue	723,564	633,655
Gaming revenue	381,728	443,798
Restaurant revenue	-	185,278
Raffles and promotions revenue	-	40,037
Keno commission	41,900	45,107
Tab commission	26,703	21,616
Bowling revenue	-	4,118
Membership revenue	-	10,445
Commissions revenue	10,297	11,331
Other income	56,461	16,775
	1,240,653	1,412,160
Other revenue		
Sponsorship and donations	-	9,000
Government GST assistance	17,180	17,180
	17,180	26,180
Revenue	1,257,833	1,438,340

Note 5. Current assets - cash at bank and cash on hand

	2019 $	2018 $
Cash at bank and on hand	140,640	164,468

Reconciliation to cash and cash equivalents at the end of the financial year
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

	2019 $	2018 $
Balances as above	140,640	164,468
Bank overdraft (note 12)	-	(6,664)
Balance as per statement of cash flows	140,640	157,804

Note 6. Current assets - trade and other receivables

	2019 $	2018 $
Trade receivables	-	18

Note 7. Current assets - inventories

	2019 $	2018 $
Stock on hand - at cost	24,897	24,897

Note 8. Current assets - other

	2019 $	2018 $
Prepayments	1,960	29,269

Note 9. Non-current assets - other financial assets

	2019 $	2018 $
Shares in IAG - at market value	2,430	2,487

Note 10. Non-current assets - property, plant and equipment

	2019 $	2018 $
Land - at fair value	10,958,601	10,958,601
Land and buildings - at fair value	2,707,552	2,707,552
Less: Accumulated depreciation	(277,156)	(249,811)
	2,430,396	2,457,741
Plant and equipment - at cost	1,717,469	1,717,469
Less: Accumulated depreciation	(1,588,685)	(1,534,898)
	128,784	182,571
Greens and equipment - at cost	189,538	189,538
Less: Accumulated depreciation	(48,385)	(36,170)
	141,153	153,368
Kitchen Renovations - at cost	19,570	19,570
Less: Accumulated depreciation	(14,455)	(13,175)
	5,115	6,395
Outdoor Equipment - at cost	41,580	41,580
Less: Accumulated depreciation	(17,808)	(13,362)
	23,772	28,218
TAB and kitchen equipment and renovation - at cost	52,687	52,686
Less: Accumulated depreciation	(25,394)	(17,198)
	27,293	35,488
	13,715,114	13,822,382

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land $	Buildings $	Plant and Equipment incl. Poker Machines $	Kitchen Renovation s $	Outdoor Equipment $	Greens and Equipment $	Kitchen and TAB Equipment $	Total $
Balance at 1 July 2018	10,958,601	2,457,741	182,570	6,395	28,218	153,368	35,489	13,822,382
Depreciation expense	-	(27,345)	(53,786)	(1,280)	(4,446)	(12,215)	(8,196)	(107,268)
Balance at 30 June 2019	10,958,601	2,430,396	128,784	5,115	23,772	141,153	27,293	13,715,114

The freehold land and buildings were independently valued at 25 June 2015 by Australian Valuation Group Pty Ltd trading as Valuations NSW. The valuation was based on the current market value. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the strong demand for land and buildings in the area and recent sales data for similar properties. The directors do not believe there has been a material movement in the carrying amount since the revaluation date.

Note 11. Current liabilities - trade and other payables

	2019 $	2018 $
Trade payables	46,857	71,945
GST liability	34,223	21,077
PAYG payable	30,312	37,126
Insurance premium funding liability	-	27,309
Other payables	12,427	-
	123,819	157,457

Note 12. Current liabilities - borrowings

	2019 $	2018 $
Bank overdraft	-	6,664
Lease liability	-	8,000
	-	14,664

Note 13. Current liabilities - employee benefits

	2019 $	2018 $
Annual leave	45,087	53,112
Long service leave	33,357	60,076
	78,444	113,188

Note 14. Current liabilities - other liabilities

	2019 $	2018 $
Members subscriptions received in advance	-	3,860

Note 15. Non-current liabilities - borrowings

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	2019 $	2018 $
Bank overdraft	-	6,664
Lease liability	-	8,000
	-	14,664

Assets pledged as security
The bank overdraft and loans are secured by first mortgages over the company's land and buildings.

The lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position, revert to the lessor in the event of default.

Note 16. Non-current liabilities - employee benefits

	2019 $	2018 $
Long service leave	-	645

Note 17. Equity - reserves

	2019 $	2018 $
Revaluation surplus reserve	11,284,666	11,284,666

Note 18. Equity - retained surpluses

	2019 $	2018 $
Retained surpluses at the beginning of the financial year	2,469,041	2,711,733
Deficit for the year	(70,929)	(242,692)
Retained surpluses at the end of the financial year	2,398,112	2,469,041

Note 19. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2019 $	2018 $
Aggregate compensation - short-term employee benefits	181,224	152,756

Directors do not receive compensation.

Note 20. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 19.

Transactions with related parties
The following transactions occurred with related parties:

	2019 $	2018 $
Payment for goods and services: Purchase of merchandise from C BON T-SHIRT PRINTERS, a company controlled by director (Mr. G. King) of the Club.	7,653	3,896

Sale of goods and services:
During the financial year, the Club did not charge a related party of a director of the Club (Mr. G. Talbot) for the use of the Club's auditorium in connection with the line dancing classes run at the Club.

Receivable from and payable to related parties
There were no trade receivables frcom or trade cpadcyables to relacted parties at the current and previous reporting date.

Note 20. Related party transactions (continued)

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 21. Members guarantee

In the event of the company being wound up, ordinary members are required to contribute a maximum of $5.00 each towards meeting any outstanding obligations of the company.

The total amount that members of the company are liable to contribute if the company is wound up is $6,640 (30 June 2018: $6,905), based on 1,328 (2018: 1,381) current ordinary members.

Note 22. Core / Non-Core Property

The directors of the club have determined that all of the assets of the club are "core assets" as defined under section 41J of the Registered Clubs Act 1976, except for the club's investment in shares held in IAG Limited. The market value of the shares held in IAG Limited as at 30 June 2019 was $2,430 (2018: $2,487).

Note 23. Registered Office

The principal please of business and registered office of the Company is:

Leichhardt Bowling and Recreation Club Limited

92 Piper Street

Lilyfield NSW 2040

Leichhardt Bowling and Recreation Club Limited
Directors' declaration
30 June 2019

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Scott Bowers
Director

Gregory King
Director

~~1 February 2020~~ 7/2/2020