

Ferntree Gully Bowling Club.

Financial Report for the Year Ended 31 March 2020

	Page Number
Committee of Management's Report	2
Statement of Profit or Loss and Other Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 – 12
Annual Statement by Members of the Committee of Management	13
Independent Auditor's Report	14 - 15

Ferntree Gully Bowling Club Inc

COMMITTEE OF MANAGEMENT'S REPORT

Your Committee of Management members submit the financial report of Ferntree Gully Bowling Club Inc for the financial year ended 31 March 2020.

Board of Management Members

The names of Board of Management members throughout the year and at the date of this report are:

CEO	Les Stephens
Treasurer	David Barclay
Executive Secretary	Terry Martin
Committee Member	John Milburn
Committee Member	Rhonda Raisback

Principal Activities

The principal activities of the association during the financial year was to constitute not-for-profit sporting club in order to encourage, support and engage a team or teams of its members to participate in the post of bowls

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The deficit from ordinary activities amounted to \$57,168. The surplus for the previous financial year amounted to \$57.

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



Les Stephens



David Barclay

Dated this THIRD day of JUNE 2020

Ferntree Gully Bowling Club Inc
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 \$	2019 \$
REVENUE			
Revenue from operating activities	2	1,792,217	1,983,358
Other income		1,586	4,071
		1,793,803	1,987,429
EXPENDITURE			
Bar, kitchen & bistro general expenses		55,232	24,473
Bowls expenses		61,558	71,935
Cost of sales	3	227,253	242,648
Depreciation & amortisation		250,755	242,994
Employee benefits expenses		712,117	718,674
Finance costs		7,964	10,757
Gaming expenses		111,171	215,504
General house expenses		145,526	128,661
Lease expenses		12,720	79,220
Operating costs		130,872	137,244
Promotions/ advertising		36,266	31,630
Repairs & maintenance		35,642	41,343
Security		40,730	42,289
Loss on write off / disposal of assets		23,165	-
		1,850,971	1,987,372
Surplus/(Deficit) for the year before income tax		(57,168)	57
Income Tax	1(a)	-	-
Surplus/(Deficit) for the year after income tax		(57,168)	57
Other Comprehensive Income for the year:			
Items that will not be reclassified to profit or loss:		-	-
Items that will be reclassified subsequently to profit or loss when specific conditions are met:		-	-
Total Comprehensive Income after income tax		(57,168)	57

The accompanying notes form part of these financial statements.

Ferntree Gully Bowling Club Inc

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	2020	2019
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	619,305	561,420
Trade and other receivables	5	400	1,000
Inventories on hand	6	13,243	13,759
TOTAL CURRENT ASSETS		632,948	576,179
NON-CURRENT ASSETS			
Property, plant and equipment	7	978,272	994,748
Intangible assets	8	263,157	361,363
TOTAL NON-CURRENT ASSETS		1,241,429	1,356,111
TOTAL ASSETS		1,874,377	1,932,290
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	46,105	70,303
Provisions	10	84,585	75,263
Other financial liabilities	11	49,079	37,522
TOTAL CURRENT LIABILITIES		179,769	183,088
NON-CURRENT LIABILITIES			
Other financial liabilities	11	15,923	13,349
TOTAL NON-CURRENT LIABILITIES		15,923	13,349
TOTAL LIABILITIES		195,692	196,437
NET ASSETS		1,678,685	1,735,853
EQUITY			
Retained surplus		1,678,685	1,735,853
TOTAL EQUITY		1,678,685	1,735,853

The accompanying notes form part of these financial statements.

Ferntree Gully Bowling Club Inc

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Retained Surplus	Total
	\$	\$
Balance at 1 April 2018	1,735,796	1,735,796
Surplus for the year	57	57
Other comprehensive income for the year	-	-
Balance at 31 March 2019	1,735,853	1,735,853
Balance at 1 April 2019	1,735,853	1,735,853
Deficit for the year	(57,168)	(57,168)
Other comprehensive income for the year	-	-
Balance at 31 March 2020	1,678,685	1,678,685

The accompanying notes form part of these financial statements.

Ferntree Gully Bowling Club Inc
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020	2019
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers & members		1,790,388	1,987,707
Payments to suppliers & employees		(1,591,668)	(1,753,673)
Interest received		4015	1,828
Interest paid		(774)	(3,732)
Net cash provided by operating activities	12	<u>201,961</u>	<u>232,130</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(90,883)	(47,136)
Payment for EGM entitlements		-	(16,042)
Net cash used in investing activities		<u>(90,883)</u>	<u>(63,178)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(53,193)	(9,608)
Net cash used in financing activities		<u>(53,193)</u>	<u>(9,608)</u>
Net increase in cash held		57,885	159,344
Cash on hand at beginning of financial year		561,420	402,076
Cash on hand at end of financial year	4	<u><u>619,305</u></u>	<u><u>561,420</u></u>

The accompanying notes form part of these financial statements.

Ferntree Gully Bowling Club Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Victorian Associations Incorporation Reform Act 2012. The committee has determined that the association is not a reporting entity. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

Accounting Policies

a. **Income Tax**

No provision for income tax has been raised as the association has self assessed to be exempt from income tax.

b. **Comparative figures**

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

c. **Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of 3 months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

d. **Inventories on Hand**

Inventories are valued at the lower of cost and net realisable value. Costs are assigned on the standard cost basis

e. **Property, Plant and Equipment**

Plant and equipment

Plant and equipment is measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

The cost of fixed assets constructed by the association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life 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.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. If appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable value.

Ferntree Gully Bowling Club Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f. **Accounts Payable and Other Payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

g. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (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 financial position.

h. **Employee Provisions**

Short-term employee benefits

Provision is made for the association's obligation 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, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The association's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current accounts payable and other payables in the statement of financial position.

i. **Leases**

The Association as lessee

At inception of a contract, the Association assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Association where the Association is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Association uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset,

Ferntree Gully Bowling Club Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary leases

For leases that have significantly below-market terms and conditions principally to enable the Association to further its objectives (commonly known as peppercorn/concessionary leases), the Association has adopted the temporary relief under AASB 2018-8 and measures the right-of-use assets at cost on initial recognition.

j. Income Recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue has been recognised on the following basis:

Gaming Income – accrued in accordance with gaming net revenue;

Bar Trading and Kitchen Trading Sales – on sale of goods;

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

NOTE 2: REVENUE

	2020	2019
	\$	\$
Revenue from Operating Activities		
Bar Sales	330,176	349,075
Kitchen Income	248,242	261,798
Gaming Revenue	1,076,811	1,267,554
Club House	66,206	21,849
Bowls Subscriptions	24,184	24,598
Green Fees	33,930	42,116
Bowls Income	12,668	16,368
Total Revenue From Operating Activities	1,792,217	1,983,358

NOTE 3: COST OF SALES

Bar purchases	116,240	125,990
Kitchen purchases	111,013	116,658
	227,253	242,648

NOTE 4: CASH & CASH EQUIVALENTS

Cash on Hand	-	73,058
Cash at Bank	619,305	488,362
	619,305	561,420

NOTE 5: TRADE & OTHER RECEIVABLES

Trade Debtors	400	1,000
	400	1,000

Ferntree Gully Bowling Club Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 6: INVENTORIES ON HAND

	2020	2019
	\$	\$
Bar Inventories	9,818	9,282
Bowls Inventories	3,425	4,477
	13,243	13,759
	13,243	13,759

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Buildings at Cost	1,547,524	1,504,708
Less Accumulated Depreciation	(1,002,349)	(939,423)
	545,175	565,285
Plant & Equipment	887,742	834,320
Less Accumulated Depreciation	(506,646)	(469,549)
	381,096	364,771
Furniture, Fixtures & Fittings	240,953	240,237
Less Accumulated Depreciation	(196,186)	(184,943)
	44,767	55,294
Office Equipment	25,497	25,497
Less Accumulated Depreciation	(18,263)	(16,099)
	7,234	9,398
Total Property, Plant and Equipment	978,272	994,748

NOTE 8: INTANGIBLE ASSETS

Gaming Machine Entitlements	982,052	982,052
Less: Accumulated Amortisation	(750,979)	(652,774)
Gaming Machine Entitlements 2022	32,084	32,085
	263,157	361,363
	263,157	361,363

Gaming Machine Entitlement 2022 - this relates to the deposit made for Gaming Machine Entitlements post 16 August 2022.

Ferntree Gully Bowling Club Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 9: TRADE & OTHER PAYABLES

	2020	2019
	\$	\$
Trade Creditors	7,623	15,457
GST Payables	20,714	30,492
Other Creditors	13,283	20,352
Money in Advance	4,485	4,002
	46,105	70,303

NOTE 10: PROVISIONS

Current:

Annual Leave	38,571	32,770
Long Service Leave	46,014	42,493
	84,585	75,263

NOTE 11: OTHER FINANCIAL LIABILITIES

Current:

Secured Lease Liability	49,079	37,522
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Non - Current:

Secured Lease Liability	15,923	13,349
	65,002	50,871

NOTE 12: CASH FLOW INFORMATION

Reconciliation of cash flows from operating activities with net current year surplus

Net current year Surplus/(Deficit)	(57,168)	57
<i>Cash flows excluded from current year surplus</i>		
Non-cash flows in current year surplus:		
– Depreciation and Amortisation	250,755	242,994
– Loss/(profit) on write off/disposal of assets	23,166	
Changes in assets and liabilities:		
– (Increase)/decrease in Trade and other receivables	600	2,100
– (Increase)/decrease in Inventories on hand	(516)	1,598
– increase/(decrease) in Trade and other payables	(24,198)	(5,162)
– increase/(decrease) in Provisions	9,322	(9,457)
	201,961	232,130

Ferntree Gully Bowling Club Inc

NOTE 13: EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the end of the financial year there have been continued considerable economic impacts in Australia and globally arising from the outbreak of the COVID-19 virus and Government actions to reduce the spread of the virus. In line with Government guidelines most of club's operations have been non functional since 22nd March 2020 and the duration of the shutdown remains uncertain as at the date of this report.

At the date of signing the financial report the Club is unable to determine what financial effects the outbreak of the virus could have on the Club in the coming financial period.

NOTE 14: GOING CONCERN

In line with Government guidelines most of Club's operations have been non functional since 22nd March 2020 and the duration of the shutdown remains uncertain as at the date of this report.

The Club's ability to continue as a going concern is dependent on when it is able to get back to full commercial operations and continued support of Government assistance such as jobkeeper payments.

Ferntree Gully Bowling Club Inc

ANNUAL STATEMENTS GIVE TRUE AND FAIR VIEW OF FINANCIAL POSITION AND PERFORMANCE OF INCORPORATED ASSOCIATION

We, LES STEPHENS, and DAVID BARCLAY, being members of the committee of Ferntree Gully Bowling Club Inc, certify that:

The statements attached to this certificate give a true and fair view of the financial position and performance of Ferntree Gully Bowling Club Inc during and at the end of the financial year of the association ending on 31 March 2020.

Committee Member.....

Committee Member.....

Dated this THIRD day of JUNE 2020



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FERNTREE GULLY BOWLING CLUB INC

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Ferntree Gully Bowling Club Inc. (the association), which comprises the statement of financial position as at 31 March 2020, the statement of profit or loss and other comprehensive income, the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification by members of the Committee on the annual statements giving a true and fair view of the financial position and performance of the association.

In our opinion, the accompanying financial report of Ferntree Gully Bowling Club Inc. is in accordance with the requirements of the *Associations Incorporation Reform Act 2012 (Vic)*, including:

- (i) giving a true and fair view of the association's financial position as at 31 March 2020 and of its performance for the year then ended; and
- (ii) that the financial records kept by the association are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards.

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 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 14 to the financial report, which indicates that club's operations are severely impacted by COVID-19 virus related restrictions and the going concern of Ferntree Gully Bowling Club Inc. is dependent on when it is able to get back to full commercial operations and continued support of Government assistance such as jobkeeper payments. This indicates a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the association to meet the requirements of *Associations Incorporation Reform Act 2012 (Vic)*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Committee for the Financial Report

The Committee is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Associations Incorporation Reform Act 2012 (Vic)* and for such internal control as the Committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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In preparing the financial report, the Committee 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 the Committee either intends to liquidate the association or to cease operations, or have no realistic alternative but to do so.

The Committee is 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.

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 Committee.
- Conclude on the appropriateness of the Committee'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 report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 Committee 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.

LBW CHARTERED ACCOUNTANTS

SRIPATHY SARMA

Principal


Dated this 3rd day of June 2020



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