

## **NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the ANNUAL GENERAL MEETING of  
Dapto Citizens Bowling Club Limited  
will take place on Sunday 26<sup>th</sup> August 2018 at 9.30am in the Clubhouse.

### **AGENDA OF ANNUAL GENERAL MEETING**

1. Call for apologies and welcome guests.
2. To Confirm the Minutes of the previous Annual General Meeting.
3. To confirm the Patrons for the ensuing year.
4. To receive and consider the Directors Report and Declaration, Report of the Auditor and Financial Statements.
5. To declare the results of the election of Directors to hold office in accordance with the Constitution.
6. To consider the Ordinary Resolutions set out below.
7. To consider the Special Resolutions set out below.
8. To deal with any business of which due notice has been given.

### **MEMBERS PLEASE NOTE**

Members are requested to advise the Secretary Manager in writing, seven (7) days prior to the date of the Annual General Meeting of any query relating to the Financial Report on which further information may be required. Such information will be extracted from the records and be available at the Annual General Meeting.

### **ANNUAL REPORT**

Members can access a copy of the 2018 Annual Report by going to the Club's website [www.citos.com.au](http://www.citos.com.au) or by contacting club administration.

### **FIRST ORDINARY RESOLUTION**

- (a) That the members hereby approve expenditure by the Club until the next Annual General Meeting of the Club for the following:
- (i) The reasonable costs of directors attending seminars, lectures and other educational activities as determined by the Board from time to time.
  - (ii) The reasonable costs (including travel and accommodation expenses) of directors attending meetings, conferences and trade shows conducted by ClubsNSW, the Club Managers Association and such other conferences and trade shows as determined by the Board from time to time.
  - (iii) The reasonable cost of directors attending any other registered club for the purpose of viewing and assessing its facilities as determined by the Board as being necessary for the benefit of the Club.
  - (iv) The reasonable cost of directors (and their spouses/partners if required) attending any club, community or charity function as the representatives of the Club and authorised by the Board to do so.
  - (v) The reimbursement of reasonable out of pocket expenses incurred by directors travelling to and from Board meetings or other duly constituted meetings of any committee of the Board.
  - (vi) The reasonable expenses incurred by directors either within the Club or elsewhere in relation to such other duties including entertainment of special guests of the Club and other promotional activities approved by the Board on production of documentary evidence of such expenditure.
  - (vii) The reasonable cost of Club apparel being provided to directors as required.

- (b) The members acknowledge that the benefits in paragraph (a) are not available for members generally but are only for those who are directors of the Club.

#### **Notes to Members on First Ordinary Resolution**

1. The First Ordinary Resolution is to have the members in general meeting approve expenditure by the Club for directors in respect of their duties. Included in the First Ordinary Resolution is the reasonable cost for directors to attend seminars, lectures, trade displays and other similar events to be kept abreast of current trends and developments which may have a significant bearing on the Club and for other out of pocket expenses.

#### **Procedural Matters**

2. To be passed, the First Ordinary Resolution must receive votes from not less than a majority of those members who, being eligible to do so, vote in person on the First Ordinary Resolution at the meeting.
3. In accordance with the requirements of the Corporations Act 2001, the First Ordinary Resolution must be considered as a whole and cannot be amended by motions from the floor of the meeting.
4. The Registered Clubs Act provides that:
- (a) members who are employees of the Club are not entitled to vote; and
  - (b) proxy voting is prohibited.

#### **SECOND ORDINARY RESOLUTION**

That the members hereby approve:

- (a) Subject to (b), (c) and (d) below, the payment of the following honorariums to the following directors for services until the next Annual General Meeting of the Club:
- (i) President - \$7,800.00
  - (ii) Bowls Secretary - \$10,000.00
- (b) Such honorariums to be paid by monthly or such other instalments as the Club and the director may agree from time to time.
- (c) If the director only holds office for part of the term, the honorarium shall be paid on a pro-rata basis.
- (d) If the Club engages a Bowls Co-ordinator then the honorarium paid to the Bowls Secretary will be paid up to the date of commencement of the Bowls Co-ordinator but not after commencement.

#### **Notes to Members on Second Ordinary Resolution**

1. The Second Ordinary Resolution is to have the members approve honorariums for the President and Bowls Secretary of the Club for duties to be performed by them until the next Annual General Meeting.
2. The honorariums will be paid on a pro-rata basis which means that if the director only holds office for part of the year the director will only receive part of the honorarium.
3. With regard to the honorarium to the Bowls Secretary, if the Club engages a Bowls Co-ordinator then the honorarium will cease when the Bowls Co-ordinator commences duties.

### **Procedural Matters**

4. To be passed, the Second Ordinary Resolution must receive votes in its favour from a majority of those members who, being eligible to do so, vote in person on the Second Ordinary Resolution at the meeting.
5. In accordance with the requirements of the Corporations Act 2001, the Second Ordinary Resolution must be considered as a whole and cannot be amended by motions from the floor of the meeting.
6. The Registered Clubs Act provides that:
  - (a) members who are employees of the Club are not entitled to vote; and
  - (b) proxy voting is prohibited.

### **FIRST SPECIAL RESOLUTION**

That the members of Dapto Citizens Bowling Club Limited (**Club**) confer Life Membership on Mr James “Jim” Stephen (Member 488), in recognition of his outstanding service to the Club over many years.

### **Notes to Members on First Special Resolution**

1. On 12<sup>th</sup> March 2018, the Board of the Club received a nomination for Mr James “Jim Stephen” to be admitted to Life membership of the Club. The nomination was proposed by Jeffrey D Callaway (Member:73) and seconded by *Terry Seton* (Member: 1195).  
  
Jim has been a member of the Club since 1973. Jim has served 16 years as a Board member including 1 year as Vice President and 3 years as President. Jim was bowls selector for 15 years, Bowls Coordinator for 3 years and spent many years as Bowls Secretary. Jim was part of the Board that introduced many new ventures to the Club.
2. In accordance with Rule 10.17 of the Club’s Constitution, at its meeting on 27<sup>th</sup> March 2018, the Board unanimously approved the nomination and agreed to refer it for the consideration of the members at the next General Meeting of the Club, being this Annual General Meeting.

### **Procedural Matters**

3. To be passed, the First Special Resolution must receive votes in favour from not less than three-quarters (75%) of those members who, being eligible to do so, vote in person on the resolution at the meeting.
4. Only Life members and financial Playing Members are entitled to vote on the First Special Resolution.
5. In accordance with the requirements of the Corporations Act 2001, the First Special Resolution must be considered as a whole and cannot be amended by motions from the floor of the meeting.
6. Under the Registered Clubs Act:
  - (a) members who are employees of the Club are not entitled to vote; and
  - (b) proxy voting is prohibited.

## SECOND SPECIAL RESOLUTION

That the members of Dapto Citizens Bowling Club Limited (Club) confer Life Membership on Mr George Brown (Member 55), in recognition of his outstanding service to the Club over many years.

### Notes to Members on Second Special Resolution

7. On 2<sup>nd</sup> May 2018, the Board of the Club received a nomination for Mr George Brown to be admitted to Life membership of the Club. The nomination was proposed by Linda Meiser (Member: 3073) and seconded by Ian Feltham (Member:27).
8. George has been a member since 1975. George over the years has volunteered much time and his skills as a builder for the benefit of the Club. George has been a bowls selector in the past and has served on the Board for the last 11 years.
9. In accordance with Rule 10.17 of the Club's Constitution, at its meeting on 22<sup>nd</sup> May 2018, the Board unanimously approved the nomination and agreed to refer it for the consideration of the members at the next General Meeting of the Club, being this Annual General Meeting.

### Procedural Matters

10. To be passed, the Second Special Resolution must receive votes in favour from not less than three-quarters (75%) of those members who, being eligible to do so, vote in person on the resolution at the meeting.
11. Only Life members and financial Playing Members are entitled to vote on the Second Special Resolution.
12. In accordance with the requirements of the Corporations Act 2001, the Second Special Resolution must be considered as a whole and cannot be amended by motions from the floor of the meeting.
13. Under the Registered Clubs Act:
  - (a) members who are employees of the Club are not entitled to vote; and
  - (b) proxy voting is prohibited.

## THIRD SPECIAL RESOLUTION

That the members of Dapto Citizens Bowling Club Limited (**Club**) confer Life Membership on Mr Francis "Frank" Graham (Member 199), in recognition of his outstanding service to the Club over many years.

### Notes to Members on Third Special Resolution

14. On 13<sup>th</sup> May 2018, the Board of the Club received a nomination for Mr Francis "Frank" Graham to be admitted to Life membership of the Club. The nomination was proposed by *Peter T Smith* (Member:473) and seconded by *Peter Wise* (Member:533).

Frank joined the club in 1965. Frank served as a board member for 14 years including 2 years as Vice President.

Over the years Frank has been a volunteer to the Club in various areas including green maintenance and repairs to the Club house. Frank has won many bowls championships over the years and is the Club's longest serving pennant player
15. In accordance with Rule 10.17 of the Club's Constitution, at its meeting on 22<sup>nd</sup> May 2018, the Board unanimously approved the nomination and agreed to refer it for the consideration of the members at the next General Meeting of the Club, being this Annual General Meeting.

### **Procedural Matters**

16. To be passed, the Third Special Resolution must receive votes in favour from not less than three-quarters (75%) of those members who, being eligible to do so, vote in person on the resolution at the meeting.
17. Only Life members and financial Playing Members are entitled to vote on the Third Special Resolution.
18. In accordance with the requirements of the Corporations Act 2001, the Third Special Resolution must be considered as a whole and cannot be amended by motions from the floor of the meeting.
19. Under the Registered Clubs Act:
  - (a) members who are employees of the Club are not entitled to vote; and
  - (b) proxy voting is prohibited.

Dated August 2018  
By direction of the Board

Shaun Parnis  
Secretary Manager

## Secretary Managers Report

Financial year 2017/2018 proved to be a positive year; with the club progressing forward and producing another great result. The stability between management and the board enabled them to continue their strong working relationship to take the club forward and to help ensure the long term sustainability of the club looking into the future.

I would like to take this chance to thank Noel and the board of directors for the working relationship/environment they have provided me with throughout the year and to thank them for their support, vision and ability to work as a team to achieve these great results for the club.

On the greens, we have seen changes in personnel with John retiring, I would like to thank John Ferguson for his commitment and welcome Michael Stead as the new head greenkeeper of the club. Also thanks to Blake and Dylan for their work on the greens.

To the bar staff, who continually try to pursue to offer a better service for our members and guests, they are the frontline of the club and do a terrific job to create a welcoming atmosphere in the club.

To George Brown and Derek Batey, who together take on much of the maintenance duties around the club, again thank you.

To the volunteers of the club, who there are many, a sincere thankyou and public appreciation, your work behind the scenes is often done without thanks.

In the Bowls Coordinator department, Brett Pieper has moved on and Matty Miles has stepped up in this position, he has brought a new level of professional to this role, we look forward to the growth of bowls in the club. Bowls Secretary- Brett Bailey, thanks for all your work with the bowls, the club has a large membership and this takes a lot of commitment to ensure smooth running of a very demanding program. To the committee and members of the women's bowling club, it has been a pleasure working with you and look forward to continuing our strong relationship for the future.

Management is continually implementing strategies to achieve the goals set by the board. In a trying social environment, the club has continued to prosper. The club has taken the initiative to increase its brand and attract new members.

The club has made numerous and significant contributions to the local community throughout this year. Management and Board are readily mindful of our purpose and commitment to the local community.

Finally, to the members who support this wonderful club day in and day out, thank you. You are the foundation of this club and your support is appreciated.

Shaun Parnis  
Secretary/Manager

## President's Report

To all Members

I would like to report on the progress of the Club for the period 2017-2018. We are proud to report a profit of \$408,071.

I'd like to say congratulations and thank you to our Secretary/Manager Shaun Parnis, you have done an excellent job, with another great result for the club.

I'd also like to take this opportunity to say a big thank you to all staff including administration, bar and courtesy bus drivers for all their hard work and dedication to our club over the past twelve months.

I'd like to thank our Head Green Keeper throughout the last year- John, and his apprentice Blake for the hard work they have done in maintaining our greens and getting our greens ready to the highest order.

Thanks to Matty Miles and his helpers for their continued commitment in organising the bowls; we do appreciate the hard work involved.

To all our championship winners, Congratulations. To the number one and five pennant teams, congratulations on making the Zone playoffs as well as the number 4 pennant side on reaching the Zone grand final. I would also like to thank all bowlers for your commitment and sportsmanship on and off the green. Good luck to all our bowlers next year.

To Madam President Chris Ellem and Lady Bowlers, congratulations on your achievements throughout the year.

To all members who have lost loved ones this year I would like to extend to you and your family our deepest sympathy.

In concluding my report I would like to thank all members on the Board of Management for their ongoing support and hard work throughout the year.

Noel Hawke  
President

## **Club Champions**

### **Mens.**

#### **Major Singles.**

Andrew Lynn. Winner.  
Trevor Suckley . Runner Up.

#### **Minor Singles.**

Jeremy Paramore. Winner  
Rob Lawrence. Runner Up.

#### **Major Pairs.**

Graham Tootell, Rick Malley. Winners.  
Troy Ford, Jordan Taylor. Runners Up.

#### **Major Triples.**

Adam Walker, Shaun Parnis, Brenden Aquillina.  
Winners.  
Rod Pymont(sub John Ferguson), Simon Marrott,  
Mark Cooper. Runners Up.

#### **Major Fours.**

S.Ellem, R.Sheridan, R.Malley, B.Harriot. Winners.  
I.Golding, R.Pyrmont, S.Marriott, M.Cooper.  
R/Up.

#### **Major Minor Pairs.**

Keith Belfitt, Chris Green. Winners.  
Steve Lacey, Stuey Ellem. Runners Up.

#### **Minor Pairs.**

Maurie Haynes, Jeremy Paramore. Winners.  
Max Furbank, Chris Dowdell. Runners Up.



### **Ladies.**

#### **Major Singles.**

Margaret Haviland. Winner  
Sue McCormack. Runner Up.

#### **Minor Singles.**

Christine Ellem. Winner  
Kathy Price. Runner Up.

#### **Nominated Pairs.**

Sally Golding, Agnes Chalker. Winners  
Dianne Lienert, Jenette Campbell Runners Up.

#### **Nominated Triples.**

Sally Golding, Sheila Roberts, Jenette Campbell.  
Winners.  
Nell Latham, Helen Ridley, Liz Overy. Runners Up.

#### **Nominated Fours.**

L.Meiser, C.Docherty, (Sub for M.Preston), L.Headinton,  
J.Feltham. Winners.  
H.Ridley, J.Gomersall, R.Hall, J. Campbell. R/Up.

#### **Mixed Pairs.**

Sally Golding, Rick Malley. Winners.  
Sue McCormack, Peter Pearson. Runners Up.



# **Dapto Citizens Bowling Club Limited**

**ABN: 38 001 024 979**

## **Financial Statements**

**For the Year Ended 31 May 2018**

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Directors' Report

31 May 2018

## Financial Statements

For the year ended 31 May 2018

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# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Directors' Report

31 May 2018

Your directors present their report on Dapto Citizens Bowling Club Limited for the financial year ended 31 May 2018.

### Information on directors

The names of each person who has been a director during the year and to the date of this report are:

<b>Name</b>	<b>Office Held</b>	<b>Years Experience</b>	<b>Qualifications</b>
N D Hawke	President	21	Business owner - Excavations
R Logan	Vice President	21	Coal Miner
D Coleman	Director	5	Steel worker
G Brown	Director	16	Builder
I Bailey	Director	7	Warehouse Supervisor
S Low	Director	5	Quantity Surveyor
B McCann	Director	3	Service Manager
D Batey	Director	9	Water Treatment Technician
B Bailey	Director	2	Hospitality

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

### Review of operations

The profit of the Company the year amounted to \$ 408,071 (2017: \$ 458,755).

### Principal activities

The principal activities of Dapto Citizens Bowling Club Limited during the financial year were to maintain and conduct a Bowling Club for the accommodation of the members of the Club, to promote the game of Bowls and to encourage social activities between the members of the Club.

No significant changes in the nature of the company's activity occurred during the financial year.

### Short term objectives

The Company's short term objectives are to continue to provide quality facilities for the benefit of members and guests.

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Directors' Report

31 May 2018

### Long term objectives

From a long-term perspective, the Company seeks to improve the facilities and services that we can offer to our members.

### Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- implement cost cutting measures to areas that are deemed non-value added; and
- to overview current activities of the Club and diversify into different activities that will appeal to many in the local community.

### Members guarantee

Dapto Citizens Bowling Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$10, subject to the provisions of the company's constitution.

At 31 May 2018 the collective liability of members was \$ 23,240 (2017: \$ 25,420).

### Meetings of directors

During the financial year, 12 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number attended	Number eligible to attend
N D Hawke	12	12
R Logan	12	12
D Coleman	12	12
G Brown	9	12
I Bailey	12	12
S Low	12	12
B McCann	11	12

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Directors' Report

31 May 2018

### Meetings of directors

	Directors' Meetings	
	Number attended	Number eligible to attend
D Batey	10	12
B Bailey	10	12

### Non-audit services


The Board of Directors, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that these services disclosed in the notes to the financial statements did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 May 2018 has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Board of Directors:



**N D Hawke**  
Director

Dated 24 July 2018

**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001  
to the Directors of Dapto Citizens Bowling Club Limited**

I declare that, to the best of my knowledge and belief, during the year ended 31 May 2018, 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.

*Daley & Co.*

Daley & Co  
Chartered Accountants

*Michael Mundt*

Michael Mundt  
Partner

24 July 2018

Wollongong

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 May 2018

	Note	2018 \$	2017 \$
Revenue	4	<b>3,842,352</b>	3,750,577
Other income	4	<b>83,603</b>	49,963
<b>Total income</b>	4	<b>3,925,955</b>	3,800,540
Direct costs - bar		<b>(729,463)</b>	(765,726)
Direct costs - gaming		<b>(451,012)</b>	(403,326)
Employee benefits expense		<b>(929,415)</b>	(910,458)
Depreciation expense		<b>(398,697)</b>	(271,066)
Promotion expenses		<b>(438,363)</b>	(461,417)
Repairs and maintenance expense		<b>(138,148)</b>	(130,507)
Property costs		<b>(123,680)</b>	(111,981)
Other operating expenses		<b>(292,458)</b>	(286,061)
Finance costs		<b>(3,404)</b>	(230)
Loss on disposal of assets		<b>(13,244)</b>	(1,013)
<b>Result for the year</b>		<b>408,071</b>	458,755
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income for the year</b>		<b>408,071</b>	458,755

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The accompanying notes form part of these financial statements.

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Balance Sheet

As at 31 May 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	399,650	1,016,875
Trade and other receivables	7	48,164	12,924
Inventories	8	90,088	68,016
Other assets	9	20,058	26,622
TOTAL CURRENT ASSETS		<u>557,960</u>	<u>1,124,437</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	5,458,671	4,739,095
Intangible assets	11	459,256	234,710
TOTAL NON-CURRENT ASSETS		<u>5,917,927</u>	<u>4,973,805</u>
TOTAL ASSETS		<u>6,475,887</u>	<u>6,098,242</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	12	286,338	928,939
Borrowings	13	81,900	102,402
Employee benefits	14	128,022	114,667
TOTAL CURRENT LIABILITIES		<u>496,260</u>	<u>1,146,008</u>
NON-CURRENT LIABILITIES			
Borrowings	13	667,290	35,001
Employee benefits	14	16,843	29,810
TOTAL NON-CURRENT LIABILITIES		<u>684,133</u>	<u>64,811</u>
TOTAL LIABILITIES		<u>1,180,393</u>	<u>1,210,819</u>
NET ASSETS		<u>5,295,494</u>	<u>4,887,423</u>
<b>EQUITY</b>			
Retained earnings		<u>5,295,494</u>	<u>4,887,423</u>
TOTAL EQUITY		<u>5,295,494</u>	<u>4,887,423</u>

The accompanying notes form part of these financial statements.

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# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Statement of Changes in Equity

For the Year Ended 31 May 2018

	<b>Retained Earnings \$</b>
<b>Balance at 1 June 2017</b>	4,887,423
Profit attributable to members of the entity	408,071
<b>Balance at 31 May 2018</b>	<u>5,295,494</u>
<b>Balance at 1 June 2016</b>	4,428,668
Profit attributable to members of the entity	458,755
<b>Balance at 31 May 2017</b>	<u>4,887,423</u>

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The accompanying notes form part of these financial statements.

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Statement of Cash Flows

For the Year Ended 31 May 2018

	2018	2017
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	4,229,334	4,209,189
Payments to suppliers and employees	(3,555,419)	(3,485,497)
Interest received	782	-
Finance costs	-	(230)
Other receipts	82,821	-
Net cash provided by operating activities	<u>757,518</u>	<u>723,462</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payment for intangible asset	(224,546)	-
Payment of property, plant and equipment	(1,761,985)	(279,533)
Net cash used by investing activities	<u>(1,986,531)</u>	<u>(279,533)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	925,000	59,880
Repayment of borrowings	(313,212)	(40,607)
Net cash provided/(used) by financing activities	<u>611,788</u>	<u>19,273</u>
Net increase in cash and cash equivalents held	(617,225)	463,202
Cash and cash equivalents at beginning of year	1,016,875	553,673
Cash and cash equivalents at end of financial year	6 <u>399,650</u>	<u>1,016,875</u>

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The accompanying notes form part of these financial statements.

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Notes to the Financial Statements

### For the Year Ended 31 May 2018

The financial report covers Dapto Citizens Bowling Club Limited as an individual entity. Dapto Citizens Bowling Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Dapto Citizens Bowling Club Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

#### 1. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

#### 2. Summary of Significant Accounting Policies

##### (a) Revenue and other income

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 Company 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 from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

##### **Donations**

Donations and bequests are recognised as revenue when received.

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Notes to the Financial Statements

For the Year Ended 31 May 2018

### 2. Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### Interest revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

##### Rental income

Rental income is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

##### Subscriptions

Revenue from the provision of membership subscriptions is recognised in the year to which the membership relates.

#### (b) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

#### (c) Income tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### (d) 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.

#### (e) Leases

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

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Notes to the Financial Statements

For the Year Ended 31 May 2018

### 2. Summary of Significant Accounting Policies

#### (e) Leases

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

#### (f) 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 the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. 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.

#### (g) Property, plant and equipment

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

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

#### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line and reducing balance basis over the assets useful life to the Company, 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.

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Notes to the Financial Statements

For the Year Ended 31 May 2018

### 2. Summary of Significant Accounting Policies

#### (g) Property, plant and equipment

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2%
Plant and Equipment	5 - 40%
Furniture, Fixtures and Fittings	5 - 20%
Motor Vehicles	22.5%
Poker Machines	22.5%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (h) Financial instruments

##### Initial recognition and measurement

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company 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*

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Notes to the Financial Statements

For the Year Ended 31 May 2018

### 2. Summary of Significant Accounting Policies

#### (h) Financial instruments

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

##### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Notes to the Financial Statements

For the Year Ended 31 May 2018

### 2. Summary of Significant Accounting Policies

#### (h) Financial instruments

##### *Financial liabilities*

Financial liabilities are classified as other financial liabilities depending on the purpose for which the liability was acquired.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

##### *Impairment of financial assets*

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

##### *Financial assets at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, 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.

#### (i) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.



# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Notes to the Financial Statements

For the Year Ended 31 May 2018

### 2. Summary of Significant Accounting Policies

#### (i) Impairment of non-financial assets

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

#### (j) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

#### (k) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Notes to the Financial Statements

For the Year Ended 31 May 2018

### 2. Summary of Significant Accounting Policies

#### (k) Goods and services tax (GST)

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

### 3. Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

#### Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Notes to the Financial Statements

For the Year Ended 31 May 2018

### 4. Revenue and Other Income

#### Revenue from continuing operations

	2018	2017
	\$	\$
<b>Sales revenue</b>		
- Bar sales	<b>1,520,314</b>	1,598,268
- Poker machine revenue	<b>1,834,574</b>	1,655,453
- Poker machine GST rebate	<b>17,180</b>	17,180
- TAB and Keno revenue	<b>140,022</b>	120,543
- Bingo revenue	<b>55,206</b>	54,827
- Raffle income	<b>122,623</b>	125,185
- Subscriptions and nominations	<b>22,039</b>	22,880
- Green fees and raffles	<b>79,320</b>	86,084
- Other revenue	<b>51,074</b>	70,157
	<b>3,842,352</b>	3,750,577
<b>Other income</b>		
- Interest income	<b>782</b>	4,007
- Rental income	<b>82,821</b>	45,956
	<b>83,603</b>	49,963
<b>Total Revenue</b>	<b>3,925,955</b>	3,800,540

### 5. Result for the Year

#### Expenses

Depreciation expense	<b>398,697</b>	271,066
Interest expense on financial liabilities	<b>3,404</b>	230
Loss on disposal of property, plant and equipment	<b>13,244</b>	1,013

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Notes to the Financial Statements

For the Year Ended 31 May 2018

### 6. Cash and cash equivalents

	2018	2017
	\$	\$
Cash on hand	168,700	165,700
Cash at bank	230,950	851,175
	<u>399,650</u>	<u>1,016,875</u>

### 7. Trade and other receivables

Trade and other receivables	<u>48,164</u>	<u>12,924</u>
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### 8. Inventories

Finished goods - at cost	<u>90,088</u>	<u>68,016</u>
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### 9. Other assets

Prepayments	<u>20,058</u>	<u>26,622</u>
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# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Notes to the Financial Statements

For the Year Ended 31 May 2018

### 10. Property, plant and equipment

	2018	2017
	\$	\$
Land and buildings		
At cost	5,940,997	5,251,377
Accumulated depreciation	<u>(1,464,519)</u>	<u>(1,327,740)</u>
	<u>4,476,478</u>	<u>3,923,637</u>
Plant and equipment		
At cost	1,547,665	1,309,398
Accumulated depreciation	<u>(1,012,434)</u>	<u>(997,888)</u>
	<u>535,231</u>	<u>311,510</u>
Furniture, fixtures and fittings		
At cost	311,839	297,276
Accumulated depreciation	<u>(141,310)</u>	<u>(160,949)</u>
	<u>170,529</u>	<u>136,327</u>
Motor vehicles		
At cost	80,974	38,179
Accumulated depreciation	<u>(46,767)</u>	<u>(31,067)</u>
	<u>34,207</u>	<u>7,112</u>
Poker machines		
At cost	1,242,571	1,198,292
Accumulated depreciation	<u>(1,000,345)</u>	<u>(837,783)</u>
	<u>242,226</u>	<u>360,509</u>
<b>Total property, plant and equipment</b>	<u><u>5,458,671</u></u>	<u><u>4,739,095</u></u>

# Dapto Citizens Bowling Club Limited

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## Notes to the Financial Statements

### 10. 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	Motor Vehicles	Poker Machines	Total
	\$	\$	\$	\$	\$	\$
<b>Year ended 31 May 2018</b>						
Balance at the beginning of year	3,923,637	311,510	136,327	7,112	360,509	4,739,095
Additions	696,560	297,447	47,807	42,795	46,908	1,131,517
Disposals	(1,755)	(6,326)	(1,929)	-	(3,234)	(13,244)
Depreciation expense	(141,964)	(67,400)	(11,676)	(15,700)	(161,957)	(398,697)
<b>Balance at the end of the year</b>	<b>4,476,478</b>	<b>535,231</b>	<b>170,529</b>	<b>34,207</b>	<b>242,226</b>	<b>5,458,671</b>

# Dapto Citizens Bowling Club Limited

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## Notes to the Financial Statements

For the Year Ended 31 May 2018

### 10. Property, plant and equipment

#### (b) Core and Non-Core Property

As required under section 41J of the Registered Clubs Act 1976, the Club is required to specify the core property and non-core properties owned as at the end of the financial year. Accordingly, the Board considers as core property the licensed premises and car park from which the Club operates at Fowlers Road, Dapto.

The properties located at 34 Craig Crescent Dapto, 36 Craig Crescent Dapto and 16 Toronto Avenue Dapto are not considered to be core properties of the Club given that they are not the defined premises of the club, nor facilities provided by the Club for the use of its members and their guests, nor any other property declared, by a resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, to be core property of the club.

In March 2018, the Club purchased a property located at 10 Rink Road Dapto. The property is not considered to be core property given that it is not the defined premises of the club, nor facilities provided by the Club for the use of its members and their guests. A resolution to ratify the property as being non-core property will be put to members at the upcoming Annual General Meeting.

#### (c) Security held

The property located at 102-106 Fowlers Road Dapto is given as security under a Registered Mortgage to ANZ Bank Limited. Refer note 13 (b) for details of the loan.

### 11. Intangible Assets

	2018	2017
Note	\$	\$
Gaming machine entitlements - at cost	<u>459,256</u>	<u>234,710</u>

### 12. Trade and other payables

#### CURRENT

Trade payables	96,293	130,487
Deferred income	17,395	14,980
Other payables	<u>172,650</u>	<u>783,472</u>
	<u>286,338</u>	<u>928,939</u>

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Notes to the Financial Statements

For the Year Ended 31 May 2018

### 12. Trade and other payables

#### Financial liabilities at amortised cost classified as trade and other payables

	2018	2017
	\$	\$
Trade and other payables:		
- total current	286,338	928,939
Less:		
amounts received in advance	17,395	14,980
Financial liabilities as trade and other payables	19 <u>268,943</u>	<u>913,959</u>

### 13. Borrowings

#### CURRENT

##### Secured liabilities:

Interest bearing equipment loans	(a) 59,108	102,402
Interest bearing bank loans	(b) 22,792	-
<b>Total current borrowings</b>	<u>81,900</u>	<u>102,402</u>

#### NON-CURRENT

##### Secured liabilities:

Interest bearing equipment loans	(a) -	35,001
Interest bearing bank loans	(b) 667,290	-
<b>Total non-current borrowings</b>	<u>667,290</u>	<u>35,001</u>

#### (a) Leased Liabilities

Leased liabilities are secured by the underlying leased assets.

#### (b) Securities pledged

The loan was secured by a registered mortgage over the licensed Club premises situated at 102-106 Fowlers Road, Dapto. Refer to note 10(c).



# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Notes to the Financial Statements

For the Year Ended 31 May 2018

### 14. Employee benefits

	2018	2017
	\$	\$
CURRENT		
Employee benefits	<u>128,022</u>	114,667
NON-CURRENT		
Long service leave	<u>16,843</u>	29,810

### 15. Leasing commitments

#### (a) Finance leases

Minimum lease payments:

- not later than one year

79,189      102,402

#### (b) Other commitments

Contractual commitments

-      -

#### (c) Operating lease - lessor

Minimum lease receipts:

- not later than one year

23,886      -

- between one year and five years

4,793      -

**Total**

28,679      -

### 16. Interests of Key Management Personnel

The total remuneration paid to key management personnel of the Company is \$ 152,426 (2017: \$ 144,391).

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Notes to the Financial Statements

For the Year Ended 31 May 2018

### 17. Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Key Management Personnel often participate in bowling activities whereby they can receive prize monies and vouchers. These prizes are received under the normal terms and conditions applicable to all members participating in such activities and are not considered to be remuneration and hence have not been included in the disclosures in this note 16.

Key Management Personnel are provided with and/or reimbursed for meals, drinks and other expenses incurred in the course of undertaking the Company's business. These costs are not considered to be remuneration and hence have not been included in this disclosure.

### 18. Cash Flow Information

#### (a) Non-cash financing and investing activities

	2018	2017
	\$	\$
Acquisition of assets by means of finance leases	-	105,004

### 19. Financial risk management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, bank loans and leases.

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

#### Financial Assets

Cash and cash equivalents	6	399,650	1,016,875
Trade and other receivables	7	48,164	12,924
<b>Total financial assets</b>		<b>447,814</b>	<b>1,029,799</b>

#### Financial Liabilities

Financial liabilities at amortised cost			
Trade and other payables	12	268,943	913,959
Borrowings	13	749,190	137,403
<b>Total financial liabilities</b>		<b>1,018,133</b>	<b>1,051,362</b>

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Notes to the Financial Statements

For the Year Ended 31 May 2018

### 19. Financial risk management

#### Net fair values

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

### 20. Events after the end of the Reporting Period

The financial report was authorised for issue on 24 July 2018 by the Board of Directors.

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.

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Notes to the Financial Statements

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 25, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards - Reduced Disclosure Requirement; and
  - b. give a true and fair view of the financial position as at 31 May 2018 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



**N D Hawke**  
Director

Dated 24 July 2018

## Independent Audit Report to the members of Dapto Citizens Bowling Club Limited

### Report on the Financial Report

#### Opinion

We have audited the accompanying financial report of Dapto Citizens Bowling Club Limited, which comprises the balance sheet as at 31 May 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 31 May 2018 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

#### Basis for Opinion

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

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

#### Other Information

The directors are responsible for the other information. The other information comprises the Directors Report for the year ended 31 May 2018, but does not include the financial report and our auditor's report thereon.

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

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

## **Independent Audit Report to the members of Dapto Citizens Bowling Club Limited**

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

### **Responsibilities of Directors for the Financial Report**

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

In preparing the financial report, the directors are responsible for assessing Dapto Citizens Bowling Club Limited'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 Dapto Citizens Bowling Club Limited 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 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 the financial report.

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

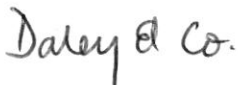
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## **Independent Audit Report to the members of Dapto Citizens Bowling Club Limited**

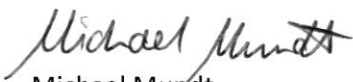
- Conclude on the appropriateness of the Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.



Daley & Co  
Chartered Accountants



Michael Mundt  
Partner

Wollongong

24 July 2018

Liability limited by a scheme approved under Professional Standards Legislation.