



**BERESFIELD BOWLING CLUB LIMITED**

**ACN: 163 531 691**

**FINANCIAL REPORT**

**for the year ended 31 May 2018**

**BERESFIELD BOWLING CLUB LIMITED**

**ACN: 163 531 691**

**FINANCIAL REPORT**

**for the year ended 31 May 2018**

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# BERESFIELD BOWLING CLUB LIMITED

ACN: 163 531 691

## DIRECTORS' REPORT

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

### Directors

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

Mr Ron Morley  
Mr Colin Byron  
Mr Des Skinner  
Mr Terry Lockwood  
Mr Michael Brent  
Mr Wayne Lewis  
Mr Noel Allardice  
Mr Mark Conway  
Mr Don Lawrence (appointed 27 August 2017)  
Mr Phillip Bird (resigned 27 August 2017)

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

### Principal Activities

The principal activity of the Club during the financial year was the operation of a bowling club in accordance with its objectives and for the benefit of its members.

No significant change in the nature of this activity occurred during the year.

### Operating Result

The net profit of the Club for the financial year amounted to \$733,154 (2017: \$249,248).

### Short and Long-term Objectives

The Club's short-term objectives are to:

- Maintain quality bowling facilities and actively encourage growth and participation in the sport;
- Provide members and guests with modern facilities and efficient service in a safe and friendly environment; and
- Be recognised in the community as a progressive and successful Club that provides a significant contribution to the community as a whole.

The Club's long-term objectives are to:

- Continue to nurture and develop the sport of bowls at every level;
- Continue to develop and refine the Club's Master Plan, which includes ongoing communication with local government authorities to ensure the best possible use of the land holdings that surround the Club; and
- Generate profits that can be reinvested into improved services and facilities for members and community support.

# BERESFIELD BOWLING CLUB LIMITED

ACN: 163 531 691

## DIRECTORS' REPORT

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### Strategies

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

- Ensuring the Club's financial performance is optimized through the constant review and evaluation of the Club's business practice, continuing to listen and respond to our members and their guest's needs; and
- Monitoring and reviewing the Club's financial and non-financial key performance indicators in order to measure the Club's performance against industry best practice.

### Information on Directors

<b>Name</b>	<b>Occupation / Qualifications</b>	<b>Position / Special Responsibilities</b>	<b>Years as Director</b>
Mr Ron Morley	Retired	Director	29
Mr Colin Byron	Retired	Director / Senior Vice Chairman	24
Mr Des Skinner	Retired	Director / Chairman	21
Mr Terry Lockwood	Retired	Director / Vice Chairman	20
Mr Michael Brent	Retired	Director / Treasurer	10
Mr Wayne Lewis	Retired	Director	10
Mr Noel Allardice	Retired	Director	5
Mr Don Lawrence	Retired	Director	5
Mr Mark Conway	Stock Loss Advisor	Director	3

### Meetings of Directors

During the year, 23 meetings of directors were held. Attendances by each director were as follows:

	<b>Directors' Meetings</b>	
	<b>Eligible to Attend</b>	<b>Number Attended</b>
Mr Ron Morley	23	15
Mr Colin Byron	23	18
Mr Des Skinner	23	21
Mr Terry Lockwood	23	23
Mr Michael Brent	23	23
Mr Wayne Lewis	23	21
Mr Noel Allardice	23	22
Mr Mark Conway	23	22
Mr Don Lawrence	18	18
Mr Phillip Bird	5	3

**BERESFIELD BOWLING CLUB LIMITED**

**ACN: 163 531 691**

**DIRECTORS' REPORT**

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**Members Guarantee**

The Club is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the company. At 31 May 2018, the total amount that members of the company are liable to contribute if the company is wound up is \$7,707 (2017: \$7,255).

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 31 May 2018 has been received and can be found on page 6 of the financial report.

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

Des Skinner  
Director



Michael Brent  
Director



Dated this 17th day of July 2018

## Beresfield Bowling Club

### Auditors Independence Declaration under Section 307C of the Corporations Act 2001

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.



PKF



CLAYTON HICKEY

PARTNER

17 JULY 2018

NEWCASTLE, NSW

**BERESFIELD BOWLING CLUB LIMITED**

**ACN: 163 531 691**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

**for the year ended 31 May 2018**

	Note	2018	2017
		\$	\$
Revenue	2	<b>8,785,666</b>	8,119,377
Other income	2	<b>188,993</b>	35,087
Changes in inventories of finished goods		<b>2,770</b>	(5,308)
Raw materials and consumables used	3	<b>(803,711)</b>	(784,389)
Employee benefits expense		<b>(2,329,022)</b>	(2,277,943)
Depreciation and amortisation expense	3	<b>(924,920)</b>	(871,114)
Advertising and promotions expense		<b>(364,454)</b>	(387,746)
Entertainment and membership expense		<b>(900,747)</b>	(882,765)
Insurance expense		<b>(161,711)</b>	(137,471)
Poker machine duty		<b>(1,116,359)</b>	(973,317)
Rates and utilities		<b>(283,223)</b>	(253,471)
Repairs and maintenance		<b>(568,846)</b>	(538,945)
Other expenses		<b>(787,742)</b>	(768,515)
Finance costs	3	<b>(3,540)</b>	(24,232)
<b>Profit before income tax</b>		<b>733,154</b>	249,248
Income tax expense	1(a)	-	-
<b>Net profit</b>		<b>733,154</b>	249,248
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income attributable to members of the entity</b>		<b>733,154</b>	249,248

The accompanying notes form part of these financial statements

**BERESFIELD BOWLING CLUB LIMITED**

ACN: 163 531 691

**STATEMENT OF FINANCIAL POSITION**

as at 31 May 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	1,776,843	1,356,423
Trade and other receivables	5	25,718	36,583
Inventories	6	53,166	50,396
Other current assets	7	78,866	77,788
<b>Total current assets</b>		<b>1,934,593</b>	<b>1,521,190</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	12,284,483	11,239,365
Investment property	9	910,000	765,000
Intangible assets	10	464,829	464,829
<b>Total non-current assets</b>		<b>13,659,312</b>	<b>12,469,194</b>
<b>TOTAL ASSETS</b>		<b>15,593,905</b>	<b>13,990,384</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	999,051	525,550
Borrowings	12	300,000	93,000
Short-term provisions	13	382,717	351,347
Other current liabilities	14	173,014	171,968
<b>Total current liabilities</b>		<b>1,854,782</b>	<b>1,141,865</b>
<b>Non-current liabilities</b>			
Borrowings	12	166,150	-
Other long-term provisions	13	29,808	38,508
<b>Total non-current liabilities</b>		<b>195,958</b>	<b>38,508</b>
<b>TOTAL LIABILITIES</b>		<b>2,050,740</b>	<b>1,180,373</b>
<b>NET ASSETS</b>		<b>13,543,165</b>	<b>12,810,011</b>
<b>EQUITY</b>			
Reserves	15	1,550,134	1,550,134
Retained earnings		11,993,031	11,259,877
<b>TOTAL EQUITY</b>		<b>13,543,165</b>	<b>12,810,011</b>

The accompanying notes form part of these financial statements



**BERESFIELD BOWLING CLUB LIMITED**

ACN: 163 531 691

**STATEMENT OF CHANGES IN EQUITY**

for the year ended 31 May 2018

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	<b>Retained Earnings</b>	<b>Asset Revaluation Reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance 1 June 2016	11,010,629	1,550,134	12,560,763
<b>Comprehensive income:</b>			
Profit for the year attributable to members of the entity	249,248	-	249,248
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income attributable to members of the entity</b>	<b>249,248</b>	<b>-</b>	<b>249,248</b>
<b>Balance at 31 May 2017</b>	<b>11,259,877</b>	<b>1,550,134</b>	<b>12,810,011</b>
Balance 1 June 2017	<b>11,259,877</b>	<b>1,550,134</b>	<b>12,810,011</b>
<b>Comprehensive income:</b>			
Profit for the year attributable to members of the entity	<b>733,154</b>	-	<b>733,154</b>
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income attributable to members of the entity</b>	<b>733,154</b>	<b>-</b>	<b>733,154</b>
<b>Balance at 31 May 2018</b>	<b>11,993,031</b>	<b>1,550,134</b>	<b>13,543,165</b>

The accompanying notes form part of these financial statements

**BERESFIELD BOWLING CLUB LIMITED**

ACN: 163 531 691

**STATEMENT OF CASH FLOWS**

for the year ended 31 May 2018

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	Note	2018	2017
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		9,376,776	8,660,902
Payments to suppliers and employees		(7,833,238)	(7,607,200)
Interest received		14,538	16,891
Finance costs paid		(3,540)	(24,232)
<b>Net cash generated from operating activities</b>		<b>1,554,536</b>	<b>1,046,361</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		47,990	63,005
Payments for property, plant and equipment		(1,555,256)	(611,200)
<b>Net cash used in investing activities</b>		<b>(1,507,266)</b>	<b>(548,195)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		466,150	-
Repayment of borrowings		(93,000)	(622,000)
<b>Net cash generated from (used in) financing activities</b>		<b>373,150</b>	<b>(622,000)</b>
<b>Net increase (decrease) in cash held</b>		<b>420,420</b>	<b>(123,834)</b>
Cash and cash equivalents at beginning of the financial year		1,356,423	1,480,257
<b>Cash and cash equivalents at end of the financial year</b>	4	<b>1,776,843</b>	<b>1,356,423</b>

The accompanying notes form part of these financial statements

# BERESFIELD BOWLING CLUB LIMITED

ACN: 163 531 691

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2018

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The financial statements cover Beresfield Bowling Club Limited as an individual entity, incorporated and domiciled in Australia. Beresfield Bowling Club Limited is a company limited by guarantee.

The financial statements were authorised for issue on 17th July 2018 by the directors of the Company.

### **Note 1: Summary of Significant Accounting Policies**

#### **Basis of Preparation**

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

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

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.

#### **Accounting Policies**

##### **(a) Income Tax**

The Company has claimed an income tax exemption as a sporting club in accordance with Section 50-45 of the *Income Tax Assessment Act 1997*. The income tax exemption has been claimed based on self assessment by the Company. Accordingly no provision for income tax has been recognised in the financial statements.

##### **(b) Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

**BERESFIELD BOWLING CLUB LIMITED**

**ACN: 163 531 691**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 May 2018**

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**Note 1: Summary of Significant Accounting Policies (cont'd)**

**(c) Property, Plant and Equipment**

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

**Property**

Freehold land and buildings are shown at their fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when freehold land and buildings are not subject to an independent valuation the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different from the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are charged to the profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

**Plant and Equipment**

Plant and equipment are measured on the cost basis, less depreciation and impairment losses.

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

**Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis or diminishing value basis over the assets useful life to the Company commencing from the time the asset is held ready for use.

**BERESFIELD BOWLING CLUB LIMITED**

**ACN: 163 531 691**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 May 2018**

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**Note 1: Summary of Significant Accounting Policies (cont'd)**

**(c) Property, Plant and Equipment (cont'd)**

**Depreciation Rates**

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

Clubhouse and surrounds	2.5 - 5%
Plant and equipment	9 - 40%
Computer software	25 - 33%
Poker machines	20 - 36%

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**(d) Investment Property**

Investment property, comprising residential properties, is held to generate long-term rental yields. All tenant leases are on an arms length basis. Investment property is carried at fair value, determined by independent valuers when there is a material change in fair value. Changes to fair value are recorded in the profit or loss.

**(e) Intangibles**

**Poker Machine Entitlements**

Poker machine entitlements are recorded at cost and are deemed to have an indefinite life. They are tested annually for impairment and carried at cost less any accumulated impairment losses.

**(f) Leases**

**Finance Leases**

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

Finance 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. Leased assets are depreciated on a straight-line basis or diminishing value basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

# BERESFIELD BOWLING CLUB LIMITED

ACN: 163 531 691

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2018

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### Note 1: Summary of Significant Accounting Policies (cont'd)

#### (f) Leases (cont'd)

##### Operating Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

#### (g) Financial Instruments

##### Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

##### Classification and Subsequent Measurement

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

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments plus or minus the cumulative amortisation of the difference, if any between the amount initially recognised and the maturity amount calculated using the effective interest method less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the profit or loss.

#### (i) Financial Assets at Fair Value through the Profit and Loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in the profit or loss.

**BERESFIELD BOWLING CLUB LIMITED**

**ACN: 163 531 691**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 May 2018**

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**Note 1: Summary of Significant Accounting Policies (cont'd)**

**(g) Financial Instruments (cont'd)**

**(ii) Loans and Receivables**

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting date, which will be classified as non-current assets.

**(iii) Held-to-Maturity Investments**

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

Held to maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

**(iv) Available-for-Sale Assets**

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

**(v) Financial Liabilities**

Non-derivative financial liabilities are subsequently measured at amortised cost, comprising original debt less principal payments and amortisation.

**Fair Value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**BERESFIELD BOWLING CLUB LIMITED**

**ACN: 163 531 691**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 May 2018**

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**Note 1: Summary of Significant Accounting Policies (cont'd)**

**(g) Financial Instruments (cont'd)**

**Impairment**

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. For financial assets carried at amortised cost (including loans and receivables) impairment arises when management establishes that the carrying amount cannot be recovered after undertaking all possible measures of recovery. Impairment losses are recognised in the profit or loss.

**Derecognition**

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

**(h) Impairment of Assets**

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

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

**(i) 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 settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year 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 not satisfy vesting requirements. Those cash outflows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows.

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



**BERESFIELD BOWLING CLUB LIMITED**

**ACN: 163 531 691**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 May 2018**

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**Note 1: Summary of Significant Accounting Policies (cont'd)**

**(j) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

**(k) Revenue and Other Income**

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from investment properties is recognised on an accruals basis or straight-line basis in accordance with lease agreements.

Membership subscriptions income is recognised as income in the year to which it relates.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

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

**(l) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as expenses in the period in which they are incurred.

**(m) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the statement of cash flows on a gross basis, except for the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO. The GST component of financing and investing activities which is recoverable from, or payable to, the ATO is classified as a part of operating cash flows. Accordingly, investing and financing cash flows are presented in the Statement of Cash Flows net of the GST that is recoverable from, or payable to, the ATO.

**BERESFIELD BOWLING CLUB LIMITED**

**ACN: 163 531 691**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 May 2018**

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**Note 1: Summary of Significant Accounting Policies (cont'd)**

**(n) Comparative Figures**

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

**(o) Trade and Other Payables**

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

**(p) Provisions**

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

**(q) Critical Accounting Estimates and Judgements**

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

**Key Estimates and Judgements**

**(i) Asset Useful Lives**

The Company determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovation or some other event. The depreciation charge will increase where the useful lives are less than previously estimated, or where obsolete assets are sold or written off.

**(ii) Fair Value and Impairment**

Freehold land and buildings are included in the financial statements at fair value. Fair value has been determined with reference to independent valuations obtained by the Company. The freehold land and buildings were last independently valued in 2014 by Baker & Magin Valuers. The valuation was based on the depreciated replacement cost. The critical assumptions adopted in determining the valuation included the location of the land and buildings, dimensions of the land and zoning of the property.

**BERESFIELD BOWLING CLUB LIMITED**

**ACN: 163 531 691**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 May 2018**

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**Note 1: Summary of Significant Accounting Policies (cont'd)**

**(q) Critical Accounting Estimates and Judgements (cont'd)**

**Key Estimates and Judgements (cont'd)**

**(ii) Fair Value and Impairment (cont'd)**

Investment properties are included in the financial statements at fair value. Fair value has been determined with reference to independent market appraisals obtained by the Company. The directors assessed the appropriateness of the fair value of the investment properties during the current financial year by obtaining market appraisals from James Henry Real Estate. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for buildings in the area and recent sales data for similar properties.

**(iii) Discounted Values**

The liability for long service leave is 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 have been taken into account.

**(iv) Income Tax Exemption**

The Company has claimed an income tax exemption as a sporting club in accordance with Section 50-45 of the *Income Tax Assessment Act 1997*. Accordingly no provision for income tax has been recognised in the financial statements.

The income tax exemption has been claimed based on self assessment by the Company. Self assessment involves determining whether the Company satisfies the definition of an exempt sporting club. Several factors, including the main purpose of the Company as well as any changes in the structure or activities of the Company, need to be considered in making the assessment.

**BERESFIELD BOWLING CLUB LIMITED**

**ACN: 163 531 691**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 May 2018**

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	Note	2018	2017
		\$	\$
<b>Note 2: Revenue</b>			
Operating activities			
Sale of goods		2,275,642	2,216,108
Commissions		268,628	260,693
Competitions revenue		187,168	175,823
Poker machine revenue		5,811,682	5,231,058
Fees		89,393	88,245
Rental revenue		51,834	49,620
Interest received		14,538	16,891
Gaming tax rebate		17,180	17,180
Other revenue		69,601	63,759
Total revenue		<u>8,785,666</u>	<u>8,119,377</u>
Other income			
Gain (loss) on disposal of property, plant and equipment		43,993	35,087
Change in fair value of investment property		145,000	-
Total other income		<u>188,993</u>	<u>35,087</u>
<b>Note 3: Profit from Operations</b>			
<b>(a) Expenses</b>			
Raw materials and consumables used		803,711	784,389
Finance costs:			
Other persons		3,540	24,232
Depreciation of property, plant and equipment		924,920	871,114

**BERESFIELD BOWLING CLUB LIMITED**

**ACN: 163 531 691**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 May 2018**

	Note	2018	2017
		\$	\$
<b>Note 4: Cash and Cash Equivalents</b>			
Cash on hand		175,000	160,000
Cash at bank		373,982	261,989
Short-term bank deposits		1,227,861	934,434
		<u>1,776,843</u>	<u>1,356,423</u>
<b>Note 5: Trade and Other Receivables</b>			
CURRENT			
Trade receivables		<u>25,718</u>	<u>36,583</u>
<b>Note 6: Inventories</b>			
CURRENT			
Finished goods, at cost		<u>53,166</u>	<u>50,396</u>
<b>Note 7: Other Assets</b>			
CURRENT			
Prepayments		<u>78,866</u>	<u>77,788</u>
<b>Note 8: Property, Plant and Equipment</b>			
LAND AND BUILDINGS			
Freehold land:			
at independent valuation (2014)		2,050,000	2,050,000
Clubhouse building and surrounds:			
at independent valuation (2014)		7,550,000	7,550,000
additions, at cost		482,056	482,056
Less accumulated depreciation		<u>(810,664)</u>	<u>(602,363)</u>
Total clubhouse building and surrounds		<u>7,221,392</u>	<u>7,429,693</u>
Capital works in progress, at cost		<u>1,235,178</u>	16,123
Total land and buildings		<u>10,506,570</u>	<u>9,495,816</u>

**BERESFIELD BOWLING CLUB LIMITED**

**ACN: 163 531 691**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 May 2018**

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	Note	2018	2017
		\$	\$
<b>Note 8: Property, Plant and Equipment (cont'd)</b>			
PLANT AND EQUIPMENT			
Plant and equipment, at cost		<b>2,796,407</b>	2,658,102
Less accumulated depreciation		<b>(1,880,044)</b>	(1,784,611)
		<b>916,363</b>	873,491
Computer software, at cost		<b>64,009</b>	64,009
Less accumulated depreciation		<b>(64,009)</b>	(63,289)
		<b>-</b>	720
Poker machines, at cost		<b>3,964,524</b>	3,853,509
Less accumulated depreciation		<b>(3,102,974)</b>	(2,984,171)
		<b>861,550</b>	869,338
Total plant and equipment		<b>1,777,913</b>	1,743,549
Total property, plant and equipment		<b>12,284,483</b>	11,239,365

The Company's freehold land, clubhouse buildings and surrounds were valued in 2014 by Baker & Magin, an independent certified practicing valuer.

**BERESFIELD BOWLING CLUB LIMITED**

**ACN: 163 531 691**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 May 2018**

**Note 8: Property, Plant and Equipment (cont'd)**

**(a) Movement in Carrying Amounts**

	<b>Freehold land at valuation \$</b>	<b>Clubhouse and surrounds at valuation \$</b>	<b>Capital works in progress \$</b>	<b>Plant and equipment at cost \$</b>
Balance at beginning of the financial year	2,050,000	7,429,693	16,123	873,491
Additions	-	-	1,219,055	270,796
Disposals	-	-	-	(746)
Depreciation expense	-	(208,301)	-	(227,178)
Carrying amount at end of the financial year	<b>2,050,000</b>	<b>7,221,392</b>	<b>1,235,178</b>	<b>916,363</b>

	<b>Computer Software at cost \$</b>	<b>Poker Machines at cost \$</b>	<b>Total \$</b>
Balance at beginning of the financial year	720	869,338	11,239,365
Additions	-	484,184	1,974,035
Disposals	-	(3,251)	(3,997)
Depreciation expense	(720)	(488,721)	(924,920)
Carrying amount at end of the financial year	<b>-</b>	<b>861,550</b>	<b>12,284,483</b>

Note	2018 \$	2017 \$
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**Note 9: Investment Property**

Balance at beginning of the financial year	<b>765,000</b>	765,000
Additions	-	-
Disposals	-	-
Fair value adjustment	<b>145,000</b>	-
Carrying amount at end of the financial year	<b>910,000</b>	765,000

**BERESFIELD BOWLING CLUB LIMITED**

**ACN: 163 531 691**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 May 2018**

	Note	2018	2017
		\$	\$
<b>Note 9: Investment Property (cont'd)</b>			

The fair value model is applied to all investment property. Investment property fair values are reviewed by the directors on an annual basis. Where material changes in the fair value arise as a result of the review, the difference is taken to the Income Statement. Investment properties were revalued in the current financial year.

**Note 10: Intangible Assets**

Poker machine entitlements, at cost		<u><u>464,829</u></u>	<u><u>464,829</u></u>
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The Company has a total of 125 (2017: 125) poker machine entitlements. 105 (2017: 105) of these entitlements were granted to the Company at no cost. The value of these entitlements has not been recognised as an asset as they do not meet the recognition and measurement criteria of the applicable accounting standards.

**(a) Movement in Carrying Amounts**

	Poker machine entitlements	Total
	\$	\$
Balance at beginning of the financial year	464,829	464,829
Additions	-	-
Disposals	-	-
Carrying amount at end of the financial year	<u><u>464,829</u></u>	<u><u>464,829</u></u>

	Note	2018	2017
		\$	\$

**Note 11: Trade and Other Payables**

CURRENT

Unsecured liabilities:

Trade payables		519,132	122,628
Sundry payables and accrued expenses		479,919	402,922
		<u><u>999,051</u></u>	<u><u>525,550</u></u>



**BERESFIELD BOWLING CLUB LIMITED**

**ACN: 163 531 691**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 May 2018**

	Note	2018	2017
		\$	\$
<b>Note 12: Borrowings</b>			
CURRENT			
Secured liabilities:			
Bank loans	12(a)	<b>300,000</b>	93,000
		<b>300,000</b>	93,000
NON-CURRENT			
Secured liabilities:			
Bank loans	12(a)	<b>166,150</b>	-
		<b>166,150</b>	-

(a) The bank loans are secured by a first registered mortgage over the properties at Beresfield together with a first registered fixed and floating charge over the present and future assets of the Company.

**Note 13: Provisions**

**(a) Movement in Carrying Amounts**

	Employee entitlements	Total
	\$	\$
Balance at beginning of the financial year	<b>389,855</b>	<b>389,855</b>
Additional provisions	<b>230,237</b>	<b>230,237</b>
Amounts utilised	<b>(207,567)</b>	<b>(207,567)</b>
Carrying amount at end of the financial year	<b>412,525</b>	<b>412,525</b>

**BERESFIELD BOWLING CLUB LIMITED**

**ACN: 163 531 691**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 May 2018**

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	Note	2018	2017
		\$	\$
<b>Note 13: Provisions (cont'd)</b>			
<b>(b) Analysis of Total Provisions</b>			
Current		<b>382,717</b>	351,347
Non-Current		<b>29,808</b>	38,508
		<u><b>412,525</b></u>	<u>389,855</u>

**(c) Provision for Short-term Employee Benefits**

A provision has been recognised for employee benefits relating to annual leave and sick leave (where sick leave is vesting). The measurement and recognition criterion relating to employee benefits has been included in Note 1 of the financial statements.

**(d) Provision for Long-term Employee Benefits**

A provision has been recognised for employee benefits relating to long service leave. In calculating the present value of future cash flows for long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criterion relating to employee benefits has been included in Note 1 to the financial statements.

**Note 14: Other Liabilities**

**CURRENT**

Gaming promotions		<b>67,926</b>	67,421
Monies held in trust		<b>44,761</b>	39,560
Income in advance		<b>12,128</b>	17,828
Subscriptions in advance		<b>48,199</b>	47,159
		<u><b>173,014</b></u>	<u>171,968</u>

**Note 15: Reserves**

**(a) Asset Revaluation Reserve**

The asset revaluation reserve records revaluations of non-current assets.

**BERESFIELD BOWLING CLUB LIMITED**

**ACN: 163 531 691**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 May 2018**

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	Note	2018	2017
		\$	\$
<b>Note 16: Capital and Leasing Commitments</b>			
<b>(a) Operating Lease Commitments</b>			
Non-cancellable operating leases contracted for at reporting date but not capitalised in the financial statements:			
Payable - minimum lease payments			
No later than 12 months (excluding GST)		<b>84,702</b>	72,184
Between 12 months and 5 years (excluding GST)		<b>202,509</b>	197,135
Later than 5 years (excluding GST)		-	5,180
		<u><b>287,211</b></u>	<u>274,499</u>
<b>(b) Capital Expenditure Commitments</b>			
Capital commitments:			
Clubhouse renovations		<u><b>579,826</b></u>	<u>-</u>

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

**Note 17: Contingent Liabilities**

An indemnity guarantee of \$5,000 (2017: \$5,000) existed at year end in relation the Company's TAB facilities.

There are no other contingent liabilities not otherwise disclosed in the financial statements.

**Note 18: Events After the Reporting Period**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operation of the Company, the results of those operations or the state of affairs of the Company in future financial years.

**BERESFIELD BOWLING CLUB LIMITED**

**ACN: 163 531 691**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 May 2018**

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	Note	2018	2017
		\$	\$
<b>Note 19: Key Management Personnel</b>			
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director is considered key management personnel.			
Key management personnel compensation:			
Short-term benefits		<b>361,258</b>	360,008
Post-employment benefits		<b>29,159</b>	29,963
		<b>390,417</b>	389,971

**Note 20: Related Party Transactions**

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

There were no transactions with related parties during the financial year.

**Note 21: Cash Flow Information**

**(a) Non-cash Financing and Investing Activities:**

Included in the trade and other payables at year end is \$431,830 (2017: \$13,051) relating to capital expenditure.

**BERESFIELD BOWLING CLUB LIMITED**

**ACN: 163 531 691**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 May 2018**

**Note 22: Financial Risk Management**

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

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:

	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
Financial assets:			
Cash and cash equivalents	4	<b>1,776,843</b>	1,356,423
Financial assets at amortised cost:			
Loans and receivables	5	<b>25,718</b>	36,583
Total financial assets		<b>1,802,561</b>	1,393,006
Financial liabilities:			
Financial liabilities at amortised cost:			
Trade and other payables	11	<b>999,051</b>	525,550
Borrowings	12	<b>466,150</b>	93,000
Total financial liabilities		<b>1,465,201</b>	618,550

**Note 23: Company Details**

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

Beresfield Bowling Club Limited  
208 Anderson Drive  
Beresfield NSW 2322

**Note 24: Members' Guarantee**

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the Company. At 31 May 2018, the number of members was 7,707 (2017: 7,255).

**BERESFIELD BOWLING CLUB LIMITED**

**ACN: 163 531 691**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 May 2018**

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**Note 25: Core and Non-core Property**

Pursuant to Section 41J(2) of the *Registered Clubs Act 1976* the classification of property held by the Company as at the end of the financial year ended 31 May 2018 is as follows:

**Core Property:**

<b>Property Address</b>	<b>Current Usage</b>
208 Anderson Drive, Beresfield NSW 2322	Clubhouse and licenced premises

**Non-core Property:**

<b>Property Address</b>	<b>Current Usage</b>
Lots 1-13 DP 219795 Lenox Street, Beresfield NSW 2322	Members' and guests' car park
Lots 1-2 DP 729981 Lenox Street, Beresfield NSW 2322	Members' and guests' car park
1 Lenox Street, Beresfield NSW 2322	Residential investment property
3 Lenox Street, Beresfield NSW 2322	Residential investment property
1 Lister Avenue, Beresfield NSW 2322	Residential investment property

The Registered Clubs Act requires the annual report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.

Core property is any real property owned or occupied by the Club that comprises:

- The defined premises of the Club; or
- Any facility provided by the Club for use of its members and their guests; or
- Any property declared by a resolution passed by a majority of the members present at a general meeting of ordinary members of the Club to be core property of the Club.

Non-core property is any other property other than that referred to above as core property and any other property which is declared by members at a general meeting of ordinary members of the Club not to be core property.

A general meeting of members was held on 3rd May 2017 whereby an ordinary resolution was passed declaring the land owned by the Club on Lenox Street, currently being used as members' and guests' car park, not to be core property.

**BERESFIELD BOWLING CLUB LIMITED**

**ACN: 163 531 691**

**DIRECTORS' DECLARATION**

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The directors of Beresfield Bowling Club Limited declare that:

1. The financial statements and notes, as set out on pages 7 to 30, are in accordance with the Corporations Act 2001 and:
  - a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - b) give a true and fair view of the financial position of the Company as at 31 May 2018 and of its performance for the year ended on that date.
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.

Des Skinner  
Director



Michael Brent  
Director



Dated this 17th day of July 2018

## INDEPENDENT AUDIT REPORT

### TO THE MEMBERS OF BERESFIELD BOWLING CLUB

#### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Beresfield Bowling Club Limited (the Club), which comprises the statement of financial position as at 31 May 2018, 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:

- a. the accompanying financial report of Beresfield Bowling Club Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Club's financial position as at 31 May 2018 and of its financial performance for the year then ended; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;

#### 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 Club in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Beresfield Bowling Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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

The directors are responsible for the other information. The other information comprises the information included in the Club's annual 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Club 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 Club 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.

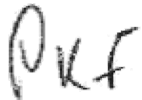
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club'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 Club 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Club to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Club audit. We remain solely responsible for our audit opinion.

### Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

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.



PKF



CLAYTON HICKEY  
PARTNER

17 JULY 2018  
NEWCASTLE, NSW