QUEANBEYAN GOLF CLUB

(A COMPANY LIMITED BY GUARANTEE)

ABN 49 010 767 574

FINANCIAL REPORT

FOR THE YEAR ENDED 31 JULY 2020

QUEANBEYAN GOLF CLUB
ABN 49 010 767 574

DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 31 July 2020.

Directors

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

John Bull

Gail Goiser (Resigned 9 December 2019)

Cathryn Hanrahan

Lee Maiden (Resigned 9 December 2019)

Jerry Smith (Resigned 9 December 2019

Ray Dorsett (Resigned 9 December 2019)

Tom Darmody

Joshua Crockett (Appointed 9 December 2019)

Wendy Lynch (Appointed 9 December 2019)

Guy Kennedy (Appointed 9 December 2019)

Ray Hart (Appointed 9 December 2019)

Scott Cameron (Appointed 9 December 2019)

Jordan de Smet (Appointed 9 December 2019)

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

Principal Activities

The principal activity of the company during the financial year was to provide the facilities of a Licensed Club to the members and guests and to promote sporting activities.

Short-term and Long-term Objectives

The company's short-term objectives are to:

- provide the best possible golf course and clubhouse facilities to members;

  encourage new membership; and
- remain financially viable to achieve the above objectives.

The company's long-term objectives are to:

- establish and maintain membership relationships which foster the game of golf; and
- be sustainable and strive for continuous improvement to offer the best possible golfing and social amenities to members.

Strategies

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

- the Board strives to attract and retain quality management and staff who are committed to providing high standards of service levels to the members. The Board believes attracting and retaining quality staff will assist with the success of the Club in both the short and long term.
- maintain rigorous control over the Club's finances to ensure the Club remains viable and can continually upgrade the course and clubhouse for the benefit of members and encourage new membership.
- the Board is committed to meet consistent standards of governance best practice and provide clear expectations of professional accountabilities and responsibilities to all members.

Key Performance Measures

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

Information on Directors

John Bull	Director and Vice President from March 2018. President from 9 December 2019.
Experience	Appointed to the Board 29 August 2017
Occupation	Senior Manager
Gail Goiser	Captain
Experience	Resigned from the Board 9 December 2019
Occupation	Retired
Cathryn Hanrahan	Director
Experience	Appointed to the Board 13 December 2016
Occupation	Accountant
Jerry Smith	Director
Experience	Resigned from the Board 9 December 2019
Occupation	Retired
Lee Maiden	Director
Experience	Resigned from the Board 9 December 2019
Occupation	Senior Manager
Ray Dorsett	Director
Experience	Resigned from the Board 9 December 2019
Occupation	Retired
Tom Darmody	Director
Experience	Appointed to the Board 17 December 2018
Occupation	Registered Surveyor/Director
Joshua Crockett	Captain
Experience	Appointed to the Board 9 December 2019
Occupation	Business Owner
Scott Cameron	Vice President
Experience	Appointed to the Board 9 December 2019
Occupation	Business Owner
Wendy Lynch	Director
Experience	Appointed to the Board 9 December 2019
Occupation	Business Owner
Guy Kennedy	Director
Experience	Appointed to the Board 9 December 2019
Occupation	Business Owner
Ray Hart	Director
Experience	Appointed to the Board 9 December 2019
Occupation	Retired
Jordan de Smet	Director
Experience	Appointed to the Board 9 December 2019
Occupation	Senior Manager

Meetings of Directors

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

Directors' Meetings

	Number eligible to attend	Number attended
John Bull	12	11
Gail Goiser	4	4
Cathryn Hanrahan	12	12
Jerry Smith	4	4
Lee Maiden	4	3
Ray Dorsett	4	4
Tom Darmody	12	12
Joshua Crockett	8	8
Scott Cameron	8	8
Wendy Lynch	8	8
Jordan de Smet	8	6
Guy Kennedy	8	7
Ray Hart	8	8

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 $10 each towards meeting any outstanding obligations of the company. At 31 July 2020, the total amount that members of the company are liable to contribute if the company is wound up is $29,580.00 (2019: $31,150.00).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 July 2020 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.

Director

Name JOHN BULL – PRESIDENT.

Director

Name CATHRYN HANRAHAN – DIRECTOR

Dated this 12th day of November 2020

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AUDITOR'S INDEPENDENCE DECLARATION UNDER S307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF QUEANBEYAN GOLF CLUB LIMITED

As lead auditor of Queanbeyan Golf Club Limited, I declare that, to the best of my knowledge and belief, during the year ended 31 July 2020 there have been no contraventions of:

i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
ii. any applicable code of professional conduct in relation to the audit.

Shane Bellchambers, FCA
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 12 day of November 2020

QUEANBEYAN GOLF CLUB
ABN 49 010 767 574

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2020

	Note	2020	2019
		$	$
Revenue	2	2,259,979	3,454,668
Cost of sales		(243,912)	(305,062)
Employee benefits expense		(707,657)	(763,360)
Depreciation expense		(285,070)	(336,715)
Advertising expense		-	(4,882)
Administration expense		(289,071)	(430,712)
Finance costs - external		(27,569)	(35,128)
Cleaning expense		(48,890)	(52,961)
Course expenses		(97,487)	(146,973)
Electricity expense		(75,445)	(82,956)
Entertainment expense		(17,290)	(23,623)
Insurance expense		(105,481)	(86,055)
Land and water rates expense		(54,502)	(91,704)
Social activities expenses		(33,139)	(51,181)
Poker machine expenses		(35,690)	(19,364)
Competition expenses		(47,461)	(45,579)
Grant expenses		-	(105,815)
Profit for the year		191,315	872,598
Other comprehensive income		-	-
Total comprehensive income for the year		191,315	872,598
Total comprehensive income attributable to members		191,315	872,598

The accompanying notes form part of these financial statements.

QUEANBEYAN GOLF CLUB
ABN 49 010 767 574

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	756,335	410,779
Trade and other receivables	4	84,108	38,241
Inventories	5	26,402	16,024
Other assets	6	77,894	80,236
TOTAL CURRENT ASSETS		944,739	545,280
NON-CURRENT ASSETS			
Property, plant and equipment	7	6,242,014	6,714,256
Right of use asset	8	420,975	-
Intangible assets	9	51,636	51,636
TOTAL NON-CURRENT ASSETS		6,714,625	6,765,892
TOTAL ASSETS		7,659,364	7,311,172
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	294,674	222,466
Borrowings	11	140,011	149,535
Other liabilities	12	512,161	417,282
Provisions	13	68,454	33,751
Lease Liabilities	14	132,460	120,779
TOTAL CURRENT LIABILITIES		1,147,760	943,813
NON-CURRENT LIABILITIES			
Borrowings	11	72,443	108,666
Provisions	13	14,956	22,176
Lease Liabilities	14	234,050	237,677
TOTAL NON-CURRENT LIABILITIES		321,449	368,519
TOTAL LIABILITIES		1,469,209	1,312,332
NET ASSETS		6,190,155	5,998,840
EQUITY			
Retained surplus		1,914,225	1,722,910
Reserves	19	4,275,930	4,275,930
TOTAL EQUITY		6,190,155	5,998,840

The accompanying notes form part of these financial statements.

QUEANBEYAN GOLF CLUB
ABN 49 010 767 574

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2020

	Note	Retained Earnings $	Asset Revaluation Reserve $	Total $
Balance at 1 August 2018		850,312	3,764,406	4,614,718
Comprehensive income				
Profit for the year attributable to members		872,598	-	872,598
Revaluation of land and buildings	19	-	511,524	511,524
Balance at 31 July 2019		1,722,910	4,275,930	5,998,840
Comprehensive income				
Profit for the year attributable to members		191,315	-	191,315
Balance at 31 July 2020		1,914,225	4,275,930	6,190,155

QUEANBEYAN GOLF CLUB
ABN 49 010 767 574

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		2,427,623	2,608,884
Government stimulus		146,412	-
Receipts from Government grants		-	1,200,000
Payments to suppliers and employees		(1,916,348)	(2,395,499)
Net cash generated from operating activities		657,687	1,413,385
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(246,868)	(1,240,429)
Net cash (used in) investing activities		(246,868)	(1,240,429)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(146,477)	(272,010)
Proceeds from borrowings		108,783	207,785
Finance costs		(27,569)	(35,128)
Net cash (used in) financing activities		(65,263)	(99,353)
Net increase in cash and cash equivalents		345,556	73,603
Cash and cash equivalents at beginning of financial year		410,779	337,176
Cash and cash equivalents at end of financial year	3	756,335	410,779

The accompanying notes form part of these financial statements.

The financial statements cover Queanbeyan Golf Club (the Company) as an individual entity, incorporated and domiciled in Australia. Queanbeyan Golf Club is a company limited by guarantee. The financial statements were authorised for issue on 12th November 2020 by the directors of the company.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Queanbeyan Golf Club applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010–2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.*

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) 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, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

Changes to Accounting Policy

Initial application of *AASB 16*

Queanbeyan Golf Club has adopted *AASB 16* with a date of initial application of 1 August 2019.

Queanbeyan Golf Club has adopted *AASB 16* Leases under the modified retrospective approach, with the effect of initially applying *AASB 16* recognised at 1 August 2019. In accordance with *AASB 16* the comparatives for the 2019 reporting period have not been restated. Queanbeyan Golf Club has recognised a lease liability and right-of-use asset for all leases (with the exception of short term and low value leases) recognised as operating leases in the prior year under *AASB 117* Leases where Queanbeyan Golf Club is the lessee.

The lease liabilities are measured at the present value of the remaining lease payments. Queanbeyan Golf Club's incremental borrowing rate as at 1 July 2019 was used to discount the lease payments.

The right of use assets for office space was measured at its carrying amount as if *AASB 16*: Leases had been applied since the commencement date, but discounted using Queanbeyan Golf Club's incremental borrowing rate per lease term on 1 July 2019.

The right of use assets for the remaining leases were measured and recognised in the statement of financial position as at 1 July 2019 by taking into consideration the lease liability, prepaid and accrued lease payments previously recognised as at 1 July 2019 (that are related to the lease).

The following practical expedients have been used by Queanbeyan Golf Club in applying *AASB 16* for the first time:

- leases that have remaining lease term of less than 12 months as at 1 July 2019 have been accounted for in the same was as short-term leases;
- the use of hindsight to determine lease terms on contracts that have options to extend or terminate;
- applying *AASB 16* to leases previously identified as leases under *AASB 117*: Leases and Interpretation 4: Determining whether an arrangement contains a lease without reassessing whether they are, or contain, a lease at the date of initial application; and
- not applying *AASB 16* to leases previously not identified as containing a lease under *AASB 117* and Interpretation 4.

Initial application of AASB 15

Queanbeyan Golf Club has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities (AASB 1058) for the first time in the current year. The comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued

Accounting Policies

a. Revenue

Queanbeyan Golf Club has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities (AASB 1058) for the first time in the current year.

Revenue recognition

The Entity has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058, and the impact of changes is disclosed in Note 1.

In the current year

Contributed Assets

The entity receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138.)

On initial recognition of an asset, the Entity recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer).

The Entity recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Operating Grants, Donations and Bequests

When the entity received operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Entity:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9. AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Entity recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital Grant

When the Entity receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Entity recognises income in profit or loss when or as the Entity satisfies its obligations under the terms of the grant.

Interest Income

Interest income is recognised using the effective interest method.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued

a. Revenue (Continued)

Dividend Income

The Entity recognises dividends in profit or loss only when the Entity's right to receive payment of the dividend is established.

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

In the comparative period

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the state of financial position as a liability until the service has been delivered to the contributor; otherwise the grant is recognised as income on receipt.

The Company receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

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

b. Property, Plant and Equipment

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

Freehold property

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

In periods when the 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 to 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 recognised in 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.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Property, Plant and Equipment (continued)

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

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

Depreciation

Buildings, plant & equipment, furniture and fittings are depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Freehold land and buildings	2.5% - 5.0%
Plant and equipment	10 – 20 %
Leasehold improvements	5 – 20%
Furniture and fittings	10 – 20 %

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. Gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

c. Leases

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

The lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. Lease payments included in the measurement of the lease liability are as follows:

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

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company anticipates exercising a purchase option, the asset is depreciated over the useful life of the asset.

d. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity 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 (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) 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 recognised immediately as expenses in profit or loss.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component.

Classification and subsequent measurement

(i) Financial Assets

Financial assets are subsequently measured at amortised cost. Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates. 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.

(ii) Financial liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost, using the effective interest rate method. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Impairment

The Company recognises a loss allowance for expected credit losses. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

For financial assets that are considered to be credit-impaired (not on acquisition or originations), the Company measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event); and
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation.

d. Financial Instruments (Continued)

Derecognition

Financial assets are derecognised when the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged or cancelled or have expired. The difference between the carrying amount 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 profit or loss.

Recognition of expected credit losses in financial statements

At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

e. Employee Benefits

Short-term employee benefits

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

The Company's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The Company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The Company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the Company receive defined contribution superannuation entitlements, for which the Company pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Company's statement of financial position.

f. Cash on Hand

Cash on hand includes 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.

g. Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information, and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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 the asset belongs.

Impairment testing is performed annually for intangible assets with indefinite lives.

h. Trade and Other Receivables

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(g) for further discussion on the determination of impairment losses.

i. Goods and Services Tax (GST)

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

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

j. Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997.*

k. Intangibles

Poker machine licenses are recognised at cost at acquisition. They have an indefinite life and are tested annually for impairment and are carried at cost less any accumulated impairment losses.

l. Provisions

Provisions are recognised when the entity 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.

m. Comparative Figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

n. Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the 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.

o. Critical Accounting Estimates and Judgments

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

Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the agreement must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the agreement is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services agreed.

Lease term and Option to Extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if Queanbeyan Golf Club is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if Queanbeyan Golf Club is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that Queanbeyan Golf Club will make.

Impairment

The freehold land and buildings were independently valued at July 2019 by Independent valuers. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation being recognised for the year ended 31 July 2019.

Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the Company expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows (despite an informal Company policy that requires annual leave to be used within 18 months), the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

o. Critical Accounting Estimates and Judgments (Continued)

Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. "Fair value" is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after considering transaction costs and transport costs).

For non-financial assets, the fair value measurement also considers a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

NOTE 2: REVENUE AND OTHER INCOME

	Note	2020	2019
		$	$
Revenue:			
Bar sales		607,319	711,463
Competitions income		122,448	137,053
Subscriptions		554,479	524,369
Green fees		209,888	192,619
Poker machine proceeds		344,115	389,221
Keno and TAB		19,361	22,222
Golf cart hire income		73,822	77,079
		1,931,432	2,054,026
Other revenue:			
Government grants		1,100	1,200,000
Rental of assets		-	2,600
Government Stimulus		176,412	-
Other income		96,538	124,100
Sponsorship		54,497	73,942
		328,547	1,400,642
		2,259,979	3,454,668

NOTE 3: CASH AND CASH EQUIVALENTS

CURRENT			
Cash at bank		715,995	354,009
Cash on hand		40,340	56,770
Total cash and cash equivalents	20	756,335	410,779

NOTE 4: TRADE AND OTHER RECEIVABLES

CURRENT			
Trade receivables	20	84,108	38,241

Provision for impairment of receivables

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items. There has been no provision for impairment of receivables during the years ended 31 July 2019 or 31 July 2020.

NOTE 5: INVENTORIES

	2020	2019
	$	$
CURRENT		
At cost – Bar	26,402	16,024

NOTE 6: OTHER CURRENT ASSETS

CURRENT		
Prepayments	77,894	80,236

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

LAND AND BUILDINGS		
Freehold land & buildings – at valuation	5,756,530	5,700,000
Accumulated depreciation	(73,819)	-
	5,682,711	5,700,000
Leasehold improvements – at cost	842,166	804,479
Accumulated depreciation	(551,581)	(504,462)
	290,585	300,017
Total land and buildings	5,973,296	6,000,017
PLANT AND EQUIPMENT		
Furniture and fittings – at cost	192,203	192,203
Accumulated depreciation	(116,475)	(97,975)
	75,728	94,228
Plant and equipment – at cost	1,273,442	1,790,860
Accumulated depreciation	(1,080,452)	(1,170,849)
	192,990	620,011
Total plant and equipment	268,718	714,239
Total property, plant and equipment	6,242,014	6,714,256

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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:

2020	Freehold land & buildings $	Leasehold improvements $	Furniture and fittings $	Plant and equipment $	Total $
Carrying amount at 1 August 2019	5,700,000	300,017	94,228	620,011	6,714,256
Reclassification to Right of Use Asset on initial application	-	-	-	(384,921)	(384,921)
Additions at cost	56,530	37,687	-	43,625	137,842
Disposals	-	-	-	(50,267)	(50,267)
Depreciation write-back	-	-	-	49,202	49,202
Revaluations	-	-	-	-	-
Depreciation expense	(73,819)	(47,119)	(18,500)	(84,660)	(224,098)
Carrying amount at the end of the year	5,682,711	290,585	75,728	192,990	6,242,014

Asset Revaluations

The freehold land and buildings were independently valued in July 2019 by independent valuers. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation being recognised in the revaluation surplus for the year ended 31 July 2020.

At 31 July 2020, the directors reviewed the key assumptions made by the valuers. They have concluded that these assumptions remain materially unchanged and are satisfied that the carrying amount does not exceed the recoverable amount of land and buildings at 31 July 2020.

NOTE 8: Right of use assets of AASB 16

The Entity's lease portfolio includes motor vehicles equipment, plant and equipment. The details of these leasing arrangements are included in note 14.

	2020 $	2019 $
Right of Use Asset		
At cost	582,737	-
Accumulated depreciation	(161,762)	-
Total right of use assets	420,975	-
Recognition on initial application	384,921	-
Additions	109,026	-
Impairment	(12,000)	-
Depreciation	(60,972)	-
Carrying amount at the end of the year	420,975	-

NOTE 9: INTANGIBLE ASSETS

	Note	2020	2019
		$	$
Poker Machine Licenses			
At cost		51,636	51,636
Net carrying amount		51,636	51,636

NOTE 10: TRADE AND OTHER PAYABLES

CURRENT			
Accrued expenses		142,293	115,444
GST payable		70,649	15,322
Trade payables		81,732	91,700
		294,674	222,466

a. Financial liabilities at amortised cost classified as trade and other payables

Accounts payable and other payables:			
- total current		294,674	222,466
Less Accrued expenses		(142,293)	(115,444)
Less GST payable		(70,649)	(15,322)
Financial liabilities as accounts payable and other payables	20	81,732	91,700

NOTE 11: BORROWINGS

		2020	2019
		$	$
CURRENT			
Bank loan		54,338	54,336
Insurance loan		85,673	95,199
		140,011	149,535
NON-CURRENT			
Bank loan		72,443	108,666
Total borrowings	20	212,454	258,201

The bank loan is secured by a registered mortgage over the properties situated at Booth Street and Dodsworth Street Queanbeyan.

NOTE 12: OTHER LIABILITIES

CURRENT		
Subscriptions in advance	512,161	417,282

NOTE 13: PROVISIONS

	2020	2019
	$	$
Current		
Annual leave	50,573	33,751
Long service leave	17,881	-
	68,454	33,751
Non-Current		
Long service leave	14,956	22,176
	14,956	22,176
Total Provisions	83,410	55,927

	Annual Leave	Long Service Leave	Total
	$	$	$
Analysis of total provisions			
Opening balance at 1 August 2019	33,751	22,176	55,927
Movement in year	16,822	10,661	27,483
Balance at 31 July 2020	50,573	32,837	83,410

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(e).

NOTE 14: Lease Liabilities

	2020 $	2019 $
a. Lease Liabilities		
Current lease liabilities	132,460	120,779
Non-current lease liabilities	234,050	237,677
Total lease liabilities	366,510	358,456

The finance lease for one Toyota Hilux was entered in September 2015 for a period of 5 years
The chattel lease for one Toro Mower was entered in December 2014 for a period of 5 years
The chattel lease for two Toro Mowers and Toro Sandpro Rake was entered in July 2017 for a period of 5 years
The chattel lease for one Toro Mower was entered in December 2017 for a period of 5 years
The finance lease for 10 new golf carts was entered in August 2017 for a period of 4 years
The finance lease for four new golf carts was entered in October 2015 for a period of 4 years
The finance lease for six Club carts was entered in March 2019 for a period of 4 years
The finance lease for 3 Aristocrat poker machines was entered in December 2019 for a period of 3 years

NOTE 15: CAPITAL AND LEASING COMMITMENTS

	2020 $	2019 $
a. Finance Lease Commitments		
Payable - minimum lease payments		
- not later than 12 months	-	239,663
- between 12 months but not later than 5 years	-	276,015
Minimum lease payments	-	515,678

NOTE 16: EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any significant events since the end of the reporting period.

NOTE 17: KEY MANAGEMENT PERSONNEL COMPENSATION

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The totals of remuneration paid to key management personnel (KMP) of the Company during the year are as follows:

Key management personnel compensation:	113,521	100,603

NOTE 18: OTHER RELATED PARTY TRANSACTIONS

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

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

The Queanbeyan Golf Club currently employs a family member of the General Manager and Vice-President. Their employment is on normal commercial terms and conditions.

NOTE 19: RESERVES

The asset revaluation reserve records the revaluations of non-current assets. Where revaluations are deemed to represent profits of a permanent nature, dividends may be declared from this reserve.

The freehold land and buildings were independently valued in July 2019 by independent valuers. The movements in carrying amounts were as follows:

	Asset Revaluation Reserve $
Balance at 1 August 2018	3,764,406
Revaluation of land and buildings	511,524
Balance at 31 July 2019	4,275,930
Revaluation of land and buildings	-
Balance at 31 July 2020	4,275,930

NOTE 20: FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2020 $	2019 $
Financial assets at amortised cost:			
Cash and cash equivalents	3	756,335	410,779
Loans and receivables	4	84,108	38,241
Total financial assets		840,443	449,020
Financial liabilities			
Financial liabilities at amortised cost:			
– trade and other payables	10a	81,732	91,700
– borrowings	11	212,454	258,201
Total financial liabilities		294,186	349,901

NOTE 21: GOING CONCERN – COVID-19

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

It is not possible to reliably estimate the duration and severity of the impact of COVID-19, as well as the impact on the financial position and results of the Company for future periods. However, based on analysis of the financial performance and position the financial statements have been prepared on a going concern basis.

NOTE 22: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no material contingent liabilities or contingent assets existing at the end of the financial period.

NOTE 23: ENTITY DETAILS

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

Queanbeyan Golf Club
5 Brown Street
Queanbeyan NSW 2620

QUEANBEYAN GOLF CLUB
ABN 49 010 767 574

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

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Queanbeyan Golf Club, the directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 26, 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 July 2020 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.

Director _____

Name JOHN BULL - PRESIDENT.

Director _____

Name CATHRYN HANRAHAN - DIRECTOR

Dated this 12th day of November 2020 _____

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUEANBEYAN GOLF CLUB LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Queanbeyan Golf Club Limited (the company), which comprises the statement of financial position as at 31 July 2020, 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 Queanbeyan Golf 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 July 2020 and of its performance for the year then ended; 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 Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the 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 Queanbeyan Golf 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.

Emphasis of matter

We draw attention to Note 21 of the financial report which notes the outbreak of COVID-19 as a global pandemic and how this has been considered by the Directors in the preparation of the financial report. The impact of COVID-19 is an unprecedented event, which continues to cause a high level of uncertainty and volatility. As set out in the financial statements, no adjustments have been made to financial statements as at 31 July 2020 for the impacts of COVID-19. Our opinion is not modified in respect of this matter.

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 annual report for the year ended 31 July 2020 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.

bellchambers barrett

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUEANBEYAN GOLF CLUB LIMITED

Responsibilities of the 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 – Reduced Disclosure Requirements 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 is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

Shane Bellchambers, FCA
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 12 day of November 2020