



REPORT TO THE DIRECTORS

GREATER NEWCASTLE BOWLS INCORPORATED

Year ended 30 June 2026

REPORT DATE: 7 SEPTEMBER 2026

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Executive Summary

Purpose

The purpose of this closing report is to communicate significant matters arising from our audit to the Directors. This report has been discussed with management.

The appendices to this report also provide an overview of the operating results and financial position of Greater Newcastle Bowls Incorporated (the "Association").

Scope

We conducted our audit of the financial report of the Association for the year ended 30 June 2026 in accordance with the terms of our engagement letter and Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free from material misstatement.

Review status

We have completed our review work except for the following which are required in order to finalise the review:

MATTER	RESPONSIBILITY
Receipt of Management Representation Letter	Directors
Approval and signing of financial statements	Directors

Review conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material aspects, the financial position of Greater Newcastle Bowls Incorporated as at 30 June 2026, and of its financial performance for the year then ended, in accordance with the Australian Accounting Standards.

Significant accounting and audit issues

The risks of material misstatement we have identified along with the procedures performed and results from these procedures are detailed in [Section 1](#).

Summary of misstatements

We have identified certain misstatements during our audit. Details of corrected and uncorrected misstatements are noted in [Appendix 1](#).

Independence

As the appointed client engagement partner, I confirm that there have been no contraventions of the independence requirements that apply to HLB Mann Judd under the Incorporated Associations Act or any applicable code of professional conduct with respect to our review of the financial report. Our assurance practitioner independence declarations were unqualified.

Recognition and co-operation

We would like to take this opportunity to thank Don Wells, Warren Shipley, and staff for their assistance and co-operation over the course of the audit.

Should you wish to discuss any of the matters raised in the attached schedules please do not hesitate to contact Emmanuel Gabathuse or myself.

Yours faithfully



Nick Nancarrow
Partner

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1. Review Focus Areas

During the planning phase of the review, we identified significant financial reporting risks and other areas of focus for the review.

The work that we performed on those matters is summarised in the table below.

Other matters arising during the course of our review were discussed with management in our review closing meeting on 21 August 2026.

SIGNIFICANT RISKS	REVIEW PROCEDURES AND OBSERVATIONS
1.1 Information Technology and Cyber Security	ASA 315: Identifying and Assessing Risks of Material Misstatement requires increased review focus on internal controls and in particular the IT environment, computer information systems, applications and internal controls. Our review approach and scope has incorporated the following: ▪ User access privileges and ensuring that these do not go beyond those necessary to perform their assigned duties, which may create improper segregation of duties. ▪ Controls surrounding inappropriate changes made directly to financial data through means other than application transactions. ▪ Change management processes. ▪ Level processing controls that ensure or maintain the accuracy, completeness, and authorisation of financial data. ▪ Network controls that prevent unauthorised users from gaining inappropriate access to information systems. Refer to Appendix 2 for our high-level observations and recommendations on the use of Information Technology.
1.2 Accounting Estimates and Judgements	Accounting estimates and judgements are used in calculating transactions or account balances where there is no precise means of measurement. <u>Observation</u> We have tested and accepted the significant assumptions involving accounting estimates.



2. Internal Control Review Focus

A controls review was not performed in 2026, as requested by the Directors.
We have performed substantive procedures within our review process.



3. Specific Matters to be Reported to those Charged with Governance

3.1 Independence and ethics

The Partner and staff on the Association's review engagement team for the year ended 30 June 2026 have confirmed their independence. This includes compliance with the ethical requirements of APES 110 *Code of Ethics for Professional Accountants* and the independence requirements of the *Corporations Act 2001* ("the Corporations Act").

The Corporations Act requires the lead auditor to make a declaration to the directors regarding independence. Nick Nancarrow is in a position to make this declaration.

3.2 Non-assurance services

Non-assurance services provided to the Association during the year ended 30 June 2026 included the preparation of the Association's:

- Annual Financial Report

We consider that the provision of these non-assurance services has not impaired our independence.

3.3 Other matters

We confirm that:

- We noted no errors or irregularities that would cause the financial report to contain a material misstatement and noted no apparent illegal acts.
- There were no difficulties encountered in dealing with management relating to the performance of the audit.
- The accounting policies selected are appropriate to the circumstances of the Association.

- There are no financial report disclosure issues that we wish to bring to your attention.
- We are not aware of any significant unusual transactions in controversial or emerging areas for which there is a lack of authoritative accounting guidance or consensus.
- We are not aware of any material inconsistencies or material misstatements of fact in information accompanying the financial report.
- We are not aware of any significant matters arising during the audit in connection with the Association's related parties.
- We have had no differences of opinion with management about significant auditing, accounting, or disclosure matters.

APPENDICES



APPENDIX 1: SUMMARY OF DIFFERENCES

Adjusted differences

During our review of the financial reports, we identified some differences in financial reporting balances or disclosures.

ACCOUNT	EFFECT ON NET ASSETS \$	EFFECT ON SURPLUS \$	COMMENTARY
Long service leave	(1,398)	(1,398)	On-costs on long service leave
Total Adjustments	(1,398)	(1,398)	

Unadjusted differences

On completion of our review work, we were not aware of any material unadjusted difference.

APPENDIX 2: OPERATING RESULT

The financial result for 30 June 2026 is a loss of \$52,754 compared to loss of \$72,945 in the prior year. The loss for the year has reduced compared to the prior year due to cost reduction measures like reduction in rental expense for the year with smaller space utilised for the year, further higher interest income from fixed term deposit was earned in the year compared to last year due to the term deposits held for longer period compared to last year.

APPENDIX 3: NET ASSETS

Net assets at 30 June 2026 total \$692,954 compared with \$745,908 in the 2025 financial year, representing a decrease of \$52,754 in the financial year. Key changes on the balance sheet is a reduction in cash of \$39k and a reduction in trade and other receivables and income in advance by a similar amount as capitation fees were billed after 1 July 2026.

APPENDIX 4: INTERNAL CONTROL FINDINGS

Over the course of the review, we met with the management team to address the review focus areas, key strategies, process improvement and provide an update on review issues identified in the prior year.

(a) Current year issues

ISSUE	OBSERVATION
Excessive leave hours	Noted 1 employee with excessive annual leave entitlement of 522hrs.

(b) Prior year issues

AREA	PRIOR YEAR OBSERVATION	CURRENT YEAR STATUS
Leave Loading	One instance where leave loading was not paid correctly to Warren Shipley.	<i>Issue closed.</i> Leave loading paid to Warren in the year.
Cash prizes payments	We recommend that a signed prize sheet is implemented where cash prizes are awarded to bowlers. This would required them to sign when payment is received, which would provide supporting evidence of the payment made.	<i>Issue closed.</i> Client implemented a process of making direct deposit to host Associations' Bank Accounts and host Associations pay participants.