



**Stockton Bowling
Club Co-Operative Limited**

ABN 54 349 023 257

**Annual Financial Report
for the year ended 30 June 2021**

Stockton Bowling Club Co-Operative Limited ABN 54 349 023 257

Annual financial report for the year ended 30 June 2021

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These financial statements are the financial statements of Stockton Bowling Club Co-Operative Limited. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 29 September 2021. The Directors have the power to amend and reissue the financial statements.

Director's report

Your Directors present their report on Stockton Bowling Club Co-Operative Limited (the Club) for the year ended 30 June 2021.

Directors details

The following persons were Directors of Stockton Bowling Club Co-Operative Limited during the financial year, and up to the date of this report:

Mr Ian Stirrat

President
Director since 2009

Has over 30 years of work experience for the Newcastle Permanent Building Society.

Mr George Pyke

Vice President
Director since 2014

Over 45 years' experience in the consulting engineering field. As a civil engineer he worked in Australia and spent in excess of 12 years working overseas in Fiji, Malaysia, Indonesia, the Middle East and the Philippines.

Mr Lance Turner

Director
Director since 2019

Degree in management studies and an advanced diploma in business management. Currently employed as a NSW Operations Manager with previous experience on other bowling and sporting club committees.

Mr Michael Mace

Director
Director since 2020

Worked as a Publican for 14 years in the Club industry for 20 years. Currently working as a Meat wholesaler. Has obtained Master of Economics M.A..

Mr Michael Rowan

Director
Director since 2020

Retired for the last 12 years. Prior to this, worked with the RTA as a leading hand carpenter for 16 years, then as a hanger with the major signs crew until retired.

Mrs Raelene Darwin

Director
Director since 2020

Secretary, 2018 & Chairperson, Executive Committee 2019-2020 The Cove Retirement Village. Project Officer 2014-2017 Redman Enterprises RTO. Worked for 30 years in SA Government as EA & Project Officer, PIRSA until 2014

Director's meetings

The number of meetings the Directors held during the year and the number of meetings attended by each director is as follows:

Board members	Board meetings		
	A	B	
Mr Ian Stirrat	14	14	
Mr George Pyke	14	14	
Mr Lance Turner	14	13	
Mr Michael Mace	Elected at AGM	9	9
Mr Michael Rowan	Elected at AGM	9	7
Mrs Raelene Darwin	Appointed to board 14/11/20	9	8
Mr Robbie Allan	Resigned from board 31/12/20	7	6
Mr Rick Clark	Did not stand at AGM	5	5
Mr John Fibbins	Did not stand at AGM	5	5
Mr Fred McIntyre	Resigned from board 12/09/20	2	1

Where:

- column A: the number of meetings the Director was entitled to attend
- column B: the number of meetings the Director attended

Core and non-core property

Pursuant to Section 41E(5) of the Registered Clubs Act 1976 (NSW) for the financial year ended 30 June 2021, the following land and buildings are considered to be core and non-core property:

- Core** - The Clubhouse and Greens at Mitchell Street, Stockton 2295
- Non-Core** - nil

Principal activities

During the year, the principal activities comprised the operation of a licenced Club with the aim to be considered the venue of choice, for social and bowls activities for members and guests, for Stockton and its adjacent suburban areas and being recognised as the 'Social Hub' of Stockton by a wide ranging age demographic.

There have been no significant changes in the nature of these activities during the year.

Review of operations and financial results

The profit achieved for the year was \$2,519 (2020: profit of \$16,214). This slight decline has been primarily driven by an overall decline in trading revenue, particularly in beverage and gaming which were impacted in part by ongoing COVID-19 restrictions. These were offset by revenue from cafe operations and increased government stimulus received.

	2021	2020
	\$	\$
Revenue	1,896,079	1,753,418
Expenses	(1,893,560)	(1,737,204)
Profit before income tax	2,519	16,214
Income tax	-	-
Net profit	2,519	16,214

Significant changes in state of affairs

No significant changes in the Club's state of affairs occurred during the financial year other than the easing of restrictions first imposed in March 2020 as a result of the COVID-19 pandemic.

Events since the end of the financial year

From 5 August 2021 the Club was required to close again due to lockdowns imposed as a result of the COVID-19 pandemic. The Club is controlling costs throughout this period of closure and expects to reopen when these restrictions are lifted.

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

Likely developments and expected results of operations

The Club expects to increase its level of operations over the coming months in line with Governments announced plans to gradually reduce restrictions imposed as a result of the COVID-19 pandemic.

Environmental regulation

The Co-operative's operations are not regulated by any significant environmental regulations under the law of the Commonwealth or of a state or territory of Australia.

Indemnifying Officer or Auditor

The Club has, not during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Club indemnified or made any relevant agreements for indemnifying against a liability incurred as an officer, including costs in successfully defending legal proceedings

During the financial year, the Club has paid a premium in respect of a contract of insurance insuring Directors and Officers (including former and future Directors and Officers) against certain liabilities incurred in that capacity. Disclosure of the total amount of premiums and the nature of the liabilities in respect of such insurance is prohibited by the contract of the insurance.

Rounding of amounts

The Club is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Co-operatives National Regulations (NSW) 2014 is set out on page 5 and forms part of this Directors' report.

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



Ian Stirrat - President



George Pyke - Vice President

Stockton, NSW

Dated: 29 September 2021

Auditor's independence declaration

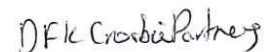
To the Directors of Stockton Bowling Club Co-Operative Limited

In accordance with the requirements of the Co-operatives National Regulations (NSW) 2014, as lead auditor for the audit of Stockton Bowling Club Co-Operative Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements as set out in the Co-operatives National Regulations (NSW) 2014 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Shaun Mahony - Partner



DFK Crosbie Partners
Chartered Accountants

Dated: 29 September 2021
Newcastle West, NSW

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Revenue from continuing operations	2	1,524,924	1,528,767
Other Income	3	371,155	224,651
Bar cost of goods sold		(310,460)	(313,826)
Cafe cost of goods sold		(54,571)	(5,594)
Bar direct expenses		(306,490)	(322,304)
Cafe direct expenses		(97,140)	-
Poker machine direct expenses		(141,613)	(151,496)
Paper gaming expenses		(26,951)	(24,562)
Members amenities		(110,313)	(188,677)
Clubhouse expenses		(233,498)	(244,554)
Administration expenses		(390,950)	(295,873)
Greens activities		(129,303)	(121,264)
Raffle & bingo expenses		(63,426)	(54,677)
Finance costs		(28,845)	(14,377)
		(1,893,560)	(1,737,204)
Profit / (loss) before income tax		2,519	16,214
Income tax expense		-	-
Profit / (loss) for the year		2,519	16,214
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		2,519	16,214

The above *statement of profit or loss and other comprehensive income* should be read in conjunction with the accompanying notes

Stockton Bowling Club Co-Operative Limited
Statement of financial position
For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	124,155	50,081
Inventories	5	15,615	9,363
Financial assets at amortised cost	6	9,423	125,125
Other assets	7	51,190	41,625
Total current assets		200,383	226,194
Non-current assets			
Property, plant and equipment	8	666,240	727,923
Right-of-use asset	9 (a)	263,978	270,378
Total non-current assets		930,218	998,301
Total assets		1,130,601	1,224,495
LIABILITIES			
Current liabilities			
Trade and other payables	10	117,196	254,426
Financial liabilities	11	124,536	147,716
Provisions	12	116,965	101,958
Other liabilities	13	67,580	7,866
Lease liabilities	9 (b)	5,331	4,996
Total current liabilities		431,608	516,962
Non-current liabilities			
Financial liabilities	11	5,974	12,970
Provisions	12	7,558	6,916
Lease liabilities	9 (b)	261,234	265,939
Total non-current liabilities		274,766	285,825
Total liabilities		706,374	802,787
Net assets		424,227	421,708
MEMBERS FUNDS			
Retained profits		424,227	421,708
Total members funds		424,227	421,708

The above *statement of financial position* should be read in conjunction with the accompanying notes

Stockton Bowling Club Co-Operative Limited
Statement of changes in equity
For the year ended 30 June 2021

	Retained Profits	Total
	\$	\$
Balance at 1 July 2019	405,494	405,494
Profit for the year	16,214	16,214
Total comprehensive income for the year	16,214	16,214
Balance at 30 June 2020	421,708	421,708
Profit for the year	2,519	2,519
Total comprehensive income for the year	2,519	2,519
Balance at 30 June 2021	424,227	424,227

The above *statement of changes in equity* should be read in conjunction with the accompanying notes

Statement of cash flows

For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from members and customers		1,745,089	1,695,783
Receipts from government stimulus payments		460,450	94,000
Payments to suppliers and employees		(2,018,730)	(1,813,047)
Interest received		18	233
Interest paid		(28,845)	(14,377)
Net cash inflow (outflow) from operating activities		<u>157,982</u>	<u>(37,408)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(48,736)	(5,378)
Net cash inflow (outflow) from investing activities		<u>(48,736)</u>	<u>(5,378)</u>
Cash flows from financing activities			
Proceeds from borrowings		62,482	127,889
Repayment of borrowings		(92,658)	(110,191)
Repayment of lease liabilities		(4,996)	(1,199)
Net cash inflow (outflow) from financing activities		<u>(35,172)</u>	<u>16,499</u>
Net increase in cash and cash equivalents		74,074	(26,287)
Cash and cash equivalents at the beginning of the financial year		<u>50,081</u>	<u>76,368</u>
Cash and cash equivalents at the end of the financial year	4	<u>124,155</u>	<u>50,081</u>

The above *statement of cash flows* should be read in conjunction with the accompanying notes

Notes to the financial statements

For the year ended 30 June 2021

1 Summary of significant accounting policies

(a) Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Co-operatives National Regulations (NSW) 2014. Stockton Bowling Club Co-Operative Limited (the Club) is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

(b) Statement of compliance

This financial report complies with Australian Accounting Standards - *Reduced Disclosure Requirements* as issued by the Australian Accounting Standards Board (AASB).

The financial report has been prepared on an accruals basis and is based on historical costs. The financial report is presented in Australian Dollars.

(c) Going Concern

The Club was required to close again from 5 August 2021 due to lockdowns imposed as a result of the COVID-19 pandemic. At the date of this report the Club remained closed for trading except for restricted café takeaway services.

Further it is noted that the Club has a working capital deficiency of \$231,225 at 30 June 2021, represented by current assets of \$204,365 and current liabilities of \$431,608. The current liabilities includes:

(a) the entire Commonwealth Bank Loan being \$45,717 along with Equipment loan finance of \$32,361 which is due for repayment within the following 12 months, however subsequent to year end the Club has received support from the Commonwealth Bank in the form a 3 month deferral of repayments due to the current lockdowns and therefore does not expect to be required to repay the full amounts of these current liabilities within the next 12 months.

(b) employee leave entitlements of \$104,227 which is included as a current liability, however the Directors do not expect to be required to settle the full amount owing to employees within the next 12 months.

The Directors have determined that the going concern basis is appropriate given:

(a) The Club has a cash balance at 30 June 2020 of \$124,155.

(b) The Club recorded positive operating cashflow of \$157,982 for the year end 30 June 2021. Whilst this was significantly impacted by the COVID-19 pandemic following a slower than normal return to trade after the mandatory lockdowns which ended on 1 June last year, cashflow was also positively impacted by the receipt of government stimulus funding of \$342,450 which is not expected to continue to be received at such a high level in future periods.

(c) The Directors have prepared a cashflow budget for 2022 (including the expected cash cost to be incurred during the lockdown period subsequent to year end) and based on the forecasts, which include revenue from continued government stimulus support, expect the Club to continue to trade with sufficient positive operating cashflows in order to meet its obligations to financiers, suppliers, employees and other creditors.

(d) The Directors do not foresee any issues in continuing to meet the terms and conditions of its loans with the Bank and expect to continue to receive the support of its Bank in continuing to provide existing loan facilities.

(e) Since the end of the financial year the Club is in the process of selling 10 Gaming machine entitlements, which will provide the Club with an additional net \$95,000 in cash reserves.

(f) The Directors continue to review available support from grants and other funding which will assist in renewal of Club assets and facilities to improve the experience of patrons and continue to attract members and guests to the Club.

(g) The Directors expect the Club to be allowed to reopen for trading in mid-October 2021, and following this along with the further lifting of restrictions it will be able to return to generating positive operating cashflows and overall net profit.

(h) The Directors expect to continue to receive support from government stimulus measures including the Jobsaver programs for at least the period until mid-October 2021.

(i) The Directors expect to receive the ongoing support of its members and suppliers.

It is on this basis that the Directors have determined that the going concern basis is appropriate.

If the Club is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in this financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded amounts or to the amounts and classification of liabilities that might be necessary should the Club not continue as a going concern.

Notes to the financial statements

For the year ended 30 June 2021

1 Summary of significant accounting policies (continued)**(d) Income Taxes**

The Club is exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997.

(e) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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.

(f) Rounding of amounts

The Club is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

2 Revenue**(a) Disaggregation of revenue from contracts with customers**

The Club derives revenue from the transfer of goods and services over time and at a point in time for the following services:

	Beverage revenue	Cafe revenue	Gaming revenue	Raffle and bingo revenue	Bowls revenue	Other revenue	Total
	\$	\$	\$	\$	\$	\$	\$
2021							
Revenue from contracts with customers	814,902	129,926	418,015	60,787	26,585	57,529	1,507,744
Other revenue (not covered by AASB15)	-	-	17,180	-	-	-	17,180
	814,902	129,926	435,195	60,787	26,585	57,529	1,524,924

Timing of revenue recognition

At a point in time	814,902	129,926	418,015	60,787	26,585	36,398	1,486,613
Over time	-	-	17,180	-	-	21,131	38,311
	814,902	129,926	435,195	60,787	26,585	57,529	1,524,924

	Beverage revenue	Cafe revenue	Gaming revenue	Raffle and bingo revenue	Bowls revenue	Other revenue	Total
	\$	\$	\$	\$	\$	\$	\$
2020							
Revenue from contracts with customers	865,808	1,429	523,281	48,731	13,658	58,680	1,511,587
Other revenue (not covered by AASB15)	-	-	17,180	-	-	-	17,180
	865,808	1,429	540,461	48,731	13,658	58,680	1,528,767

Timing of revenue recognition

At a point in time	865,808	1,429	523,281	48,731	13,658	42,324	1,495,231
Over time	-	-	17,180	-	-	16,356	33,536
	865,808	1,429	540,461	48,731	13,658	58,680	1,528,767

Notes to the financial statements

For the year ended 30 June 2021

2 Revenue (continued)

(b) Accounting policies and significant judgements

The Club recognises revenue related to the transfer of promised goods or services when a performance obligation is satisfied and when control of the goods or services passes to the customer. The amount of revenue recognised reflects the consideration to which the Club is or expects to be entitled in exchange for those goods or services.

The Club considers whether there are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. Loyalty Points Program). In determining the transaction price for the sale of goods, the Club considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(i) *Sale of goods - beverage revenue*

Revenue from the sale of beverages is recognised at a point in time when the physical control of the goods passes to the customer.

(ii) *Sale of goods - cafe revenue*

Revenue from the sale of café food and beverage is recognised at a point in time when the physical control of the goods passes to the customer.

(iii) *Provision of services - gaming revenue*

Revenue from rendering services from gaming facilities to members and other patrons of the club is recognised when the services are provided. Gaming revenue is measured at the fair value of the consideration received from the net position of the wagers placed less customer winnings paid out. Commission revenue where the Club acts as an agent for third parties who provide wagering services to members and guests is recognised at a point in time when the wagering transaction has been completed.

(iv) *Provision of services - raffle and bingo revenue*

Raffle and bingo revenue is recognised at a point in time when the customer takes possession of the ticket and the raffle or bingo event has been conducted as at this point the performance obligations have been satisfied.

(v) *Provision of services - bowls revenue*

Revenue from rendering services from bowling activities is recognised at a point in time when the game of bowls has been completed as at this point the performance obligations have been satisfied.

(vi) *Other revenue*

Included within other revenue is membership subscriptions which are recognised over the term of membership and any unearned portion is deferred and included in contract liabilities. Membership revenue is measured with reference to the fee received and the period of membership that the member has paid for.

The balance of other revenue is recognised at a point in time when the performance obligation has been satisfied.

3 Other income and expense items

	2021	2020
	\$	\$
(a) Other income		
Rental income	25,687	12,418
Interest income	18	233
Government stimulus - JobKeeper	304,950	139,500
Government stimulus - Cashflow boost	37,500	62,500
Government grants	3,000	10,000
	371,155	224,651

(i) *Rental income*

Rental income is recognised in the statement of profit or loss and other comprehensive income on a straight line basis over the term of the lease. The Club recognises rental revenue on a straight line basis with reference to the applicable CPI increases, discount rates and any relevant rental incentives.

Notes to the financial statements

For the year ended 30 June 2021

3 Other income and expense items (continued)

(ii) *Interest income*

Interest income is recognised on an accruals basis.

(iii) *Government Stimulus Funding*

The Club recognises stimulus funding from the Australian Taxation Office when it is considered to be receivable.

(iv) *Government grants*

The Club recognises grant funding when it is received.

	2021	2020
	\$	\$
(b) Other expenses		
Employee Benefits Expense	822,373	670,473
Loss on disposal of Assets	18	90
Interest costs	28,845	14,377
Depreciation expense	130,805	125,186

4 Cash and cash equivalents

Current

Cash and Cash Equivalents	124,155	50,081
	<u>124,155</u>	<u>50,081</u>

Accounting policy

Cash and short-term deposits in the Statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

5 Inventories

Current

Stock on hand	15,615	9,363
	<u>15,615</u>	<u>9,363</u>

Accounting policy

Inventories are measured at the lower of cost and current replacement cost.

6 Financial assets at amortised cost

Current

Deposits	5,000	5,000
Other receivables	4,423	120,125
	<u>9,423</u>	<u>125,125</u>

Accounting policy

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

7 Other assets

Current

Prepayments	50,844	41,174
Other assets	346	451
	<u>51,190</u>	<u>41,625</u>

Accounting policy

This includes prepayments made in advance for goods and services which are to be received in a future period.

Notes to the financial statements

For the year ended 30 June 2021

8 Property, plant and equipment

	Buildings	Plant and equipment	Poker machines	Furniture & Fittings	Total
	\$	\$	\$	\$	\$
Non-current assets					
At 1 July 2020					
Cost	1,176,561	445,832	588,824	126,853	2,338,070
Accumulated depreciation	805,216	350,746	338,490	115,695	1,610,147
Net book amount	<u>371,345</u>	<u>95,086</u>	<u>250,334</u>	<u>11,158</u>	<u>727,923</u>
Year ended 30 June 2021					
Opening net book amount	371,345	95,086	250,334	11,158	727,923
Additions	6,926	12,823	39,725	2,640	62,114
Disposals	-	-	18	-	18
Depreciation charge	51,993	18,535	51,873	1,378	123,779
Closing net book amount	<u>326,278</u>	<u>89,374</u>	<u>238,168</u>	<u>12,420</u>	<u>666,240</u>
At 30 June 2021					
Cost	1,183,420	449,383	580,682	128,863	2,342,348
Accumulated depreciation	857,142	360,009	342,514	116,443	1,676,108
Net book amount	<u>326,278</u>	<u>89,374</u>	<u>238,168</u>	<u>12,420</u>	<u>666,240</u>

Accounting policy**(a) Buildings**

Buildings are carried at cost less any accumulated depreciation and any impairment in value.

(b) Plant and equipment, poker machines, furniture and fittings

Plant and equipment, poker machines and furniture and fittings are carried at cost less any accumulated depreciation and any impairment in value.

(c) Depreciation

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Buildings	25 - 50 years
Plant and Equipment	2.5 - 14 years
Poker Machines	2 - 7 years
Furniture and Fittings	2 - 20 years

(d) Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash in flows, the recoverable amount is determined for the cash generating unit in which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the future economic benefits of an asset are not dependant on the asset's ability to generate net cash inflows and if deprived of the asset the Club would replace its remaining future economic benefit, value in use is determined as the depreciated replacement cost of the asset.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income as a separate line item.

Notes to the financial statements

For the year ended 30 June 2021

9 Leases

The Club leases several assets including the land on which the Club buildings and facilities are situated as well as the point of sale system.

The lease over the Crown Land occupied by the Club is a lease in Perpetuity between the Club and Crown Lands NSW and commenced in 1966. The agreement provides the right of the Minister to terminate the lease at any time with all improvements reverting to the Landlord.

			2021	2020
			\$	\$
a) Right-of-use asset				
Non-current				
Right-of-use assets			263,978	270,378
			<hr/>	<hr/>
Reconciliation of right-of-use assets	Plant and	Land and	Total	Total
2021	Equipment	Buildings	\$	\$
At 1 July 2020	26,347	244,031	270,378	244,031
Additions	-	626	626	28,103
Amortisation	7,026	-	7,026	1,756
30 June 2021	<hr/>	<hr/>	<hr/>	<hr/>
	19,321	244,657	263,978	270,378
			<hr/>	<hr/>
b) Lease liabilities				
Current				
Lease liabilities	5,331	-	5,331	4,996
Non-current				
Lease liabilities	16,577	244,657	261,234	265,939
Total	<hr/>	<hr/>	<hr/>	<hr/>
	21,908	244,657	266,565	270,935
			<hr/>	<hr/>
Reconciliation of lease liabilities	Plant and	Land and	Total	Total
2021	Equipment	Buildings	\$	\$
At 1 July 2020	26,904	244,031	270,935	244,031
Additions	-	626	626	28,103
Interest expense	1,604	15,927	17,531	16,337
Lease payments	(6,600)	(15,927)	(22,527)	(17,536)
Net movement during year	<hr/>	<hr/>	<hr/>	<hr/>
30 June 2021	(4,996)	626	(4,370)	26,904
	<hr/>	<hr/>	<hr/>	<hr/>
	21,908	244,657	266,565	270,935

Accounting policy

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to again determine if the contract is still, or now contains, a lease.

The term of a lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised.

At inception, a right-of-use asset and a lease liability is recognised. Right-of-use assets are included in the statement of financial position and grouped in classes of similar underlying assets.

Right-of-use assets are initially measured at cost, comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- an estimate of costs to be incurred in dismantling and removing the underlying asset;
- any initial direct costs incurred;

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Club's incremental borrowing rate. The weighted average incremental borrowing rate is 6.51%.

The lease payment used in the calculation of the lease liabilities includes variable payments when they relate to an index or rate. Where leases contain variable lease payments based on an index or rate at a future point in time, the Club has only included the known CPI increases to date and not estimated future CPI-related increases.

The Club does not recognise leases that have a lease term of 12 months or less or are of low value as a right of use asset or lease liability. The lease payments associated with these leases are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

Notes to the financial statements

For the year ended 30 June 2021

9 Leases (continued)**Lessor**

Leases for which the Club is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

As lessor for operating leases, the Club recognises lease payments as income. The underlying asset is depreciated on a straight line basis over its expected useful life.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

10 Trade and other payables

	2021	2020
	\$	\$
Current		
Trade payables	42,860	123,793
Other payables and accruals	68,314	125,447
GST payable	6,022	5,186
	<u>117,196</u>	<u>254,426</u>

Accounting policy

Trade and other payables, including accruals, are recorded initially at fair value and subsequently at amortised cost. Trade and other payables are non-interest bearing. Trade accounts payable are normally settled within 30 days.

11 Financial liabilities**Current***Secured*

Bank loans (i)	45,717	57,837
Equipment loan (i)	32,361	37,427
Total secured financial liabilities	<u>78,078</u>	<u>95,264</u>

Unsecured

Loans - Insurance premium funding	46,458	31,452
Other loans - related parties	-	21,000
Total unsecured financial liabilities	<u>46,458</u>	<u>52,452</u>
	<u>124,536</u>	<u>147,716</u>

Non-current*Secured*

Equipment loan (i)	5,974	12,970
Total secured financial liabilities	<u>5,974</u>	<u>12,970</u>

(i) Secured liabilities

The Club's liability is secured by way of:

- i) First Registered Charge by Stockton Bowling Club Co-operative Limited over the whole of its assets and undertakings including uncalled capital.
- ii) First Registered Mortgage by Stockton Bowling Club Co-operative Limited over all Going Concern business perpetual lease located at 122 Mitchell Street, Stockton NSW 2295.

Accounting policy

Financial liabilities are initially recognised at fair value, net of transaction costs incurred. Borrowing costs are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest rate method.

Financial liabilities are classified as current liabilities unless the Club has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Notes to the financial statements

For the year ended 30 June 2021

12 Provisions

	2021	2020
	\$	\$
Current		
Employee entitlements (i) & (ii)	104,227	101,958
Jackpots	12,738	-
	<u>116,965</u>	<u>101,958</u>
Non-current		
Employee entitlements (ii)	7,558	6,916
	<u>7,558</u>	<u>6,916</u>

Accounting policy**(i) Annual leave**

Liabilities for annual leave expected to be settled within 12 months of the reporting date, are recognised in the provision for employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Any annual leave expected to be settled beyond 12 months of the reporting date is measured at the present value of expected future payments.

(ii) Long service leave

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage levels and period of service. Discount rates of the Australian bond rates matching the estimated future cash outflows have been used.

13 Other liabilities**Current**

Other liabilities - funding in advance	30,000	-
Contract liabilities - membership income	4,330	2,803
Rebate in advance	33,250	5,063
	<u>67,580</u>	<u>7,866</u>

Accounting policy

Revenues received in advance are recorded as a contract liability if they are in relation to contracts with customers under AASB 15 and recognised as revenue when they are earned in future periods. Other revenue received in advance that is not covered by AASB 15 is recorded as other liabilities and is recognised as revenue when they are earned in future periods.

Notes to the financial statements

For the year ended 30 June 2021

14 Related parties

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

(a) <i>Key management personnel compensation</i>	2021 \$	2020 \$
Total key management personnel benefits	60,751	86,868
(b) <i>Transactions with other related parties</i>		
Loans from related parties:		
Director Ian Stirrat and employee Sue Stirrat	-	5,000
Stockton Mens Bowls Club	-	8,000
Stockton Womens Bowls Club	-	8,000

The above loans are interest free and were provided for the purpose of funding initial payments under the Federal Governments JobKeeper Program and were repaid in October 2020.

(c) *Other related parties*

The spouse of Director Ian Stirrat, Sue Stirrat is employed by the Club under normal award terms and conditions.

15 Critical accounting estimates and judgements

Management is required to make judgements, estimates and assumptions about reported amounts of assets, liabilities, income and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

Judgements made by management that have significant effects on the financial statements and estimates with a significant risk of material adjustment in the next period are disclosed where applicable, in the relevant notes to the financial statements:

- Estimation of useful lives of non-current assets (notes 8 and 9(a)) - The useful life of property, plant and equipment and right-of-use assets (where useful life is greater than the lease term) is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence. The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the statement of profit or loss and other comprehensive income should they change.
- Accounting for Lease in Perpetuity with Crown Lands NSW (note 9) - The accounting treatment of the Club's lease in perpetuity with Crown Lands NSW involves judgement and estimates in determining whether the contract grants rights that result in transfer of control of the asset to the Club and therefore results in the in-substance purchase of the Land. The Directors have determined that control of the asset does not transfer to the Club and as such the contract has been treated as a lease in accordance with AASB16 Leases.

16 Subsequent events

In response to the COVID-19 pandemic, the NSW Government announced mandatory lockdowns from 5 August 2021 at 5pm. As at the date of signing, the Club remains closed for trading except for restricted cafe takeaway services, and anticipates to continue to remain closed until lockdown restrictions are lifted sometime in mid October 2021.

Directors' declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 18 are in accordance with the Co-operatives National Law (NSW) 2014, including:
 - (i) comply with Australian Accounting Standards - Reduced Disclosure Requirements, and the Co-operatives National Regulations (NSW) 2014.
 - (ii) giving a true and fair view of the Club's financial position as at 30 June 2021 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Club 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 Directors.



Ian Stirrat - President



George Pyke - Vice President

Stockton, NSW
29 September 2021

Independent auditor's report to the members of Stockton Bowling Club Co-Operative Limited

Opinion

We have audited the financial report of Stockton Bowling Club Co-Operative Limited (the Club) which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Club is in accordance with the Co-operatives National Law (NSW) including:

- (i) giving a true and fair view of the Clubs financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) comply with Australian Accounting Standards - Reduced Disclosure Requirements, and the Co-operatives National Regulations (NSW) 2014.

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 Co-operatives National Regulations (NSW) 2014 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1(c) to the financial report, which indicates that the Club is currently closed for trading due to the ongoing COVID-19 pandemic and has a deficiency in working capital such that current liabilities exceeded current assets by \$231,225. As stated in Note 1(c), these events or conditions, along with other matters as set forth in Note 1(d), indicate that a material uncertainty exists that may cast significant doubt on the Club's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Other information

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 30 June 2021, but does not include the financial report and our auditor's report thereon. The other information provided at the date of this report comprises the Detailed Profit and Loss Statements.

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 further 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 – Reduced Disclosure Requirements and the Co-operatives National Law (NSW) 2014 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 Club'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 Club or to cease operations, or have no realistic alternative but to do so.

Matters relating to the electronic presentation of the audited financial report

The auditor's report relates to the financial report of the Club for the year ended 30 June 2021 included on the Club's web site. The Club's Directors are responsible for the integrity of the Club's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

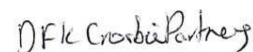
Auditor's responsibilities for the audit of the financial report

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our audit report.



Shaun Mahony - Partner



DFK Crosbie Partners
Chartered Accountants

29 September 2021
Newcastle West, NSW

Newcastle | Sydney

Liability limited by a scheme approved under the Professional Standards legislation.

Stockton Bowling Club Co-Operative Limited



Detailed Profit and Loss Statement

Beverage Trading

	2021 \$	2020 \$
Sales	<u>814,902</u>	<u>867,236</u>
	<u>814,902</u>	<u>867,236</u>
LESS COST OF GOODS SOLD		
Opening Stock	13,881	16,510
Purchases	<u>316,558</u>	<u>311,198</u>
	<u>330,439</u>	<u>327,708</u>
Closing Stock	19,979	13,881
GROSS PROFIT	<u>504,442</u>	<u>553,409</u>
LESS DIRECT EXPENSES		
Repairs and Maintenance	12,310	24,316
Promotions	13,247	15,634
Wages and Salaries	<u>280,933</u>	<u>282,354</u>
	<u>306,490</u>	<u>322,304</u>
NET PROFIT	<u>197,952</u>	<u>231,105</u>

Stockton Bowling Club Co-Operative Limited



Detailed Profit and Loss Statement Poker Machine Trading

	2021 \$	2020 \$
Net Revenue	379,349	478,937
Gaming Tax Rebate	17,180	17,180
	<u>396,529</u>	<u>496,117</u>
LESS DIRECT EXPENSES		
EBET Liability	(3,625)	(1,362)
Data Monitoring	11,745	13,763
Depreciation	51,868	51,361
Promotions	-	5,714
Provision for PM Jackpot movement	12,738	-
Repairs and Maintenance	10,924	12,426
Licenses	-	382
Sundry	10,037	1,049
Wages	47,926	68,164
	<u>141,613</u>	<u>151,496</u>
NET PROFIT	<u>254,916</u>	<u>344,621</u>

Stockton Bowling Club Co-Operative Limited



Detailed Profit and Loss Statement Keno and TAB Trading

	2021 \$	2020 \$
Keno Commission	27,987	36,424
TAB Commission	10,680	7,920
	<u>38,667</u>	<u>44,344</u>
LESS DIRECT EXPENSES		
Keno Expenses	4,535	2,769
TAB Expenses	22,416	21,794
	<u>26,951</u>	<u>24,562</u>
NET PROFIT	<u>11,716</u>	<u>19,782</u>

Stockton Bowling Club Co-Operative Limited



Detailed Profit and Loss Statement Raffle and Bingo Trading

	2021 \$	2020 \$
Sales	60,787	48,731
Purchases	63,426	54,677
NET PROFIT / (LOSS)	<u>(2,639)</u>	<u>(5,946)</u>

Stockton Bowling Club Co-Operative Limited



Detailed Profit and Loss Statement Cafe Trading

	2021 \$	2020 \$
Sales	<u>129,926</u>	<u>3,544</u>
	<u>129,926</u>	<u>3,544</u>
LESS COST OF GOODS SOLD		
Opening Stock	-	2,382
Purchases	<u>54,571</u>	<u>3,212</u>
	<u>54,571</u>	<u>5,594</u>
Closing Stock	-	-
GROSS PROFIT/LOSS	<u>75,355</u>	<u>(2,050)</u>
LESS DIRECT EXPENSES		
Repairs and Maintenance	3,002	-
Wages	<u>94,138</u>	<u>-</u>
	<u>97,140</u>	<u>-</u>
NET PROFIT	<u>(21,785)</u>	<u>(2,050)</u>
TOTAL TRADING PROFIT	<u>440,160</u>	<u>587,511</u>

Stockton Bowling Club Co-Operative Limited



Detailed Profit and Loss Statement

	2021	2020
	\$	\$
INCOME		
Gross Profit Trading	440,160	587,511
Commissions	14,381	15,033
Concert Ticket Sales	1	4,636
Employee Subsidy	2,500	4,953
Gala & Green Fees	17,602	8,770
Government Stimulus Payment	342,450	202,000
Insurance Recoveries	-	-
Interest Received	18	233
Kitchen Rental	25,687	12,418
Members Subscriptions	21,132	16,356
Other Bowls Income	8,983	4,888
Profit on Sale	-	-
Sponsorship	7,591	555
Funding Received	3,000	10,000
Sundry Income	11,923	13,605
TOTAL INCOME	895,428	880,958

Stockton Bowling Club Co-Operative Limited



Detailed Profit and Loss Statement

Other Expenses

	2021 \$	2020 \$
MEMBER AMENITIES		
Club Promotions	47,892	63,552
Entertainment	58,751	112,702
Members Badge Draw	250	6,982
Members Amenities	2,394	5,112
Replacements	1,026	329
	<u>110,313</u>	<u>188,677</u>
CLUBHOUSE		
Cleaning Materials	14,154	12,632
Cleaning Wages	41,610	45,076
Depreciation	71,202	66,316
Depreciation - Kitchen	4,126	4,038
Electricity, Gas and Heating	53,902	44,657
Rates	14,484	16,185
Rent - Land	325	15,825
Repairs and Maintenance	31,752	34,694
Security	1,943	5,131
	<u>233,498</u>	<u>244,554</u>
GREENS ACTIVITIES		
Bowls	6,825	4,031
Depreciation - Greens	3,282	3,537
Repairs & Maintenance	11,177	17,410
Wages	108,019	96,285
	<u>129,303</u>	<u>121,264</u>

Stockton Bowling Club Co-Operative Limited



Detailed Profit and Loss Statement Other Expenses

	2021 \$	2020 \$
ADMINISTRATION		
Advertising	11,876	9,866
Audit & Accountancy	22,191	16,469
Bank Charges	6,573	2,793
Bookkeeping Services	4,800	7,200
Computer Maintenance	3,022	685
Courtesy Bus		296
Donations	700	791
Fees and Permits	12,781	11,626
Hire of Plant and Equipment	87	1,828
Insurance	43,234	39,474
Insurance - Workers Compensation	16,411	8,276
Interest	28,845	14,377
Loss on Disposal of Assets	23	90
Postage, Printing & Stationery	6,677	3,335
Provision for Leave	1,808	(57,670)
Reception Wages	-	2,744
Staff Amenities	1,108	1,163
Staff Training	1,443	2,670
Subscriptions & Licenses	6,842	6,457
Sundry Expenses	1,122	1,394
Superannuation	65,081	53,284
Telephone	2,088	2,625
Training Wages	-	1,054
Travelling Expenses	67	-
Uniforms	158	241
Wages	182,858	179,181
	<u>419,795</u>	<u>310,249</u>
TOTAL EXPENSES	<u>892,909</u>	<u>864,744</u>
TOTAL PROFIT/(LOSS)	<u>2,519</u>	<u>16,214</u>