

Kotara Bowling and Recreation Club Co-Operative Limited

ABN 13 708 432 461

Financial Statements

For the Year Ended 30 June 2021

Kotara Bowling and Recreation Club Co-Operative Limited

ABN 13 708 432 461

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For the Year Ended 30 June 2021

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Kotara Bowling and Recreation Club Co-Operative Limited

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Directors' Report

30 June 2021

The Directors present their report on Kotara Bowling and Recreation Club Co-Operative Limited for the financial year ended 30 June 2021.

Directors

The names of the Directors in office at any time during, or since the end of, the year are:

Names	Position	Years' Service
Robert Muir	President	3
Alan Blaker	Vice President	9
Jarrad Biscan-Roberts	Vice President	2
Ray Smith	Director	Ceased 29/07/2021
Chris Collison	Director	2
Lisa Henry	Director	1

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. Mr. Ray Smith passed away on 29 July 2021. Ray has been an invaluable member of the Club's Board since 1999. The Board passes its condolences to Ray's wife, Marg and to all his family and friends.

Club secretary

The following person held the position of Club secretary at the end of the financial year:

Benjamin Hamilton, who is also the Secretary Manager of the Club, has been the Club Secretary since 1 August 2019.

Principal activities

The principal activity of Kotara Bowling and Recreation Club Co-Operative Limited during the financial year was the conduct of a Licensed Club.

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

Operating results

The profit of the Club after providing for income tax amounted to \$ 109,114 (2020: \$ 161,352).

Review of operations

Profit from bar trading amounted to \$34,256 and gross profit percentage of 58% was obtained from sales of \$572,942.

Net gaming revenue amounted to \$448,513 and compares with \$402,984 in 2020.

Kotara Bowling and Recreation Club Co-Operative Limited

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Directors' Report

30 June 2021

Meetings of Directors

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

	Directors' Meetings	
	Number eligible to attend	Number attended
Robert Muir	12	12
Alan Blaker	12	11
Jarrad Biscan-Roberts	12	12
Ray Smith (ceased 29/07/2021)	12	6
Chris Collison	12	8
Lisa Henry	12	11

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Club during the year.

After balance date events

No 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 apart from:

From 5pm on 5 August 2021, the Club was directed to close along with all other non-essential businesses by the NSW Government due to escalating transmission of COVID-19 within regional areas. Refer to Note 15 for further information.

Short and long term objectives

The Club has established short and long term objectives as outlined in the Club's business plan which is reviewed on an annual basis. These objectives are both financial and non financial and are aimed towards providing a comfortable and secure environment to its members that continues to meet their needs. These objectives are measured through both financial and non financial key performance indicators that have been determined relevant to the Club industry. No information is included on the likely developments in the operations of the Club and the expected results of those operations.

Environmental issues

The Club's operations are subject to environmental regulations under the laws of the Commonwealth and States of Australia. The Directors are not aware of any breaches of the legislation during the financial year which are material in nature.

Assurance Practitioner's independence declaration

The assurance practitioner's independence declaration for the year ended 30 June 2021 has been received and can be found on page 5 of the financial report.

Kotara Bowling and Recreation Club Co-Operative Limited

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Directors' Report

30 June 2021

Disclosure of Core and Non-Core Property

Pursuant to Section 41J(2) of the Registered Clubs Act 1976 and for the financial year ended 30 June 2021, the Directors have determined that the property of the Club shall be classified as follows:

Address	Address	Current Usage	Classification
Lot 92B / 13333	2 Howell Street Kotara	Club Premises	Core

Mandatory Director Training

Under the Registered Clubs Amendment (Disclosures) Regulation 2019, the Club is required to disclose to its members certain information relating to mandatory training requirements undertaken by Directors. As the Club has annual gaming machine profits of less than \$1 million, the Regulation prescribes that at least two Directors must complete their mandatory training within 12 months of appointment unless otherwise exempt.

The Board has deemed one Director, A. Blaker, exempt based on time served on the Club's Board and J. Biscan-Roberts and R. Muir exempt based on holding relevant qualifications.

Indemnification and insurance of officers

The Club has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Club, other than that conduct involving a wilful breach of duty in relation to the Club.

Director emoluments

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Club, with a Director, a firm of which the Director is a member or an entity in which the Director has a substantial financial interest.

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

Director: 

Director: 

Dated 17 September 2021

Kotara Bowling and Recreation Club Co-Operative Limited

ABN 13 708 432 461

Directors' Declaration

In the Directors' opinion:

1. The financial statements and notes, as set out on pages 8 to 25, are in accordance with the *Co-operatives National Law (NSW)* and the *Co-operatives National Law Regulations (NSW)* and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the Club's financial position as at 30 June 2021 and of its performance for the year ended on that date of the Club.
2. 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 Board of Directors.

Director



Director



Dated 17 September 2021

Kotara Bowling and Recreation Club Co-Operative Limited

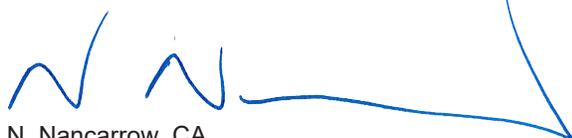
ABN 13 708 432 461

Assurance Practitioner's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

- (i) no contraventions of the assurance practitioner independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

Cutcher & Neale Assurance Pty Ltd
(An authorised audit company)



N. Nancarrow CA
Director

NEWCASTLE

10 September 2021

Kotara Bowling and Recreation Club Co-Operative Limited

ABN 13 708 432 461

Independent Assurance Practitioner's Review Report to the members of Kotara Bowling and Recreation Club Co-Operative Limited

Report on the Financial Report

We have reviewed the accompanying financial report of Kotara Bowling and Recreation Club Co-Operative Limited (the Club), which comprise 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, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' Declaration.

Emphasis of Matter

We draw attention to Note 1(b) to the financial report, which discusses the impact of COVID-19 on the Club's operations and finances in 2020 and 2021. Disclosure of events after balance date at Note 15 outlines the recent lockdown imposed by the NSW Government which resulted in the closure of the Club from 5pm on 5 August 2021. Our opinion is not modified in respect of this matter.

Responsibilities of 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, the *Co-operatives National Law (NSW)* and the *Co-operatives National Law Regulations (NSW)*, and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Assurance Practitioner's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with Standard on Review Engagements ASRE 2400, *Review of a Financial Report Performed by an Assurance Practitioner Who is not the Auditor of the Entity*. ASRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ASRE 2400 is a limited assurance engagement. The assurance practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with Australian Auditing Standards. Accordingly, we do not express an audit opinion on these financial statements.

Kotara Bowling and Recreation Club Co-Operative Limited

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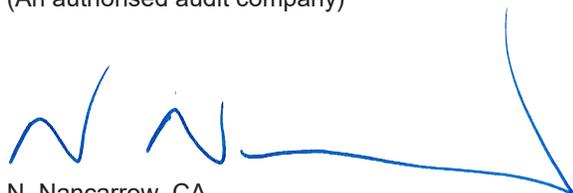
Independent Assurance Practitioner's Review Report to the members of Kotara Bowling and Recreation Club Co-Operative Limited

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 respects, the financial position of Kotara Bowling and Recreation Club Co-Operative Limited as at 30 June 2021, and of its financial performance and cash flows for the year then ended, in accordance with the Australian Accounting Standards.

Cutcher & Neale Assurance Pty Ltd

(An authorised audit company)

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke ending in a downward-pointing arrowhead.

N. Nancarrow CA
Director

NEWCASTLE

18 September 2021

Kotara Bowling and Recreation Club Co-Operative Limited

ABN 13 708 432 461

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Bar sales		572,942	583,407
Less: Bar cost of goods sold		(242,712)	(252,045)
Gross profit		330,230	331,362
Gaming machine net clearances		448,513	402,984
Tab and Keno commissions		49,048	53,656
Raffles and bingo income		188,251	234,581
Bowling income		25,132	26,012
Other revenue from contracts with customers	2	23,533	32,804
Other revenue from ordinary activities	2	34,635	90,614
Other revenue from non-ordinary activities	2	159,073	115,376
Bar trading expenses		(295,974)	(252,782)
Gaming machine trading expenses		(28,426)	(19,416)
Tab & Keno expenses		(33,543)	(27,352)
Raffles and bingo expenses		(209,508)	(243,026)
Bowling expenses		(54,712)	(62,919)
Club promotion and entertainment expenses		(22,497)	(50,930)
Occupancy expenses		(152,294)	(144,517)
Depreciation and amortisation expenses		(114,990)	(105,688)
Administrative expenses		(221,850)	(190,042)
Borrowing cost expenses		(15,507)	(29,365)
Profit / (loss) before income tax		109,114	161,352
Income tax expense/(benefit)		-	-
Profit / (loss) after income tax		109,114	161,352
Other comprehensive income		-	-
Total comprehensive income / (loss)		109,114	161,352

The accompanying notes form part of these financial statements.

Kotara Bowling and Recreation Club Co-Operative Limited

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Statement of Financial Position

As At 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	210,411	52,248
Trade and other receivables	6	5,268	22,923
Inventories	7	20,629	13,149
Other assets	8	36,272	25,417
TOTAL CURRENT ASSETS		<u>272,580</u>	113,737
NON-CURRENT ASSETS			
Property, plant and equipment	9	493,415	362,177
Right-of-use assets	10	37,886	49,214
TOTAL NON-CURRENT ASSETS		<u>531,301</u>	411,391
TOTAL ASSETS		<u>803,881</u>	525,128
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	112,419	197,334
Lease liabilities		15,174	11,707
Short-term provisions	12	41,601	17,919
Short-term borrowings	13	133,398	84,701
TOTAL CURRENT LIABILITIES		<u>302,592</u>	311,661
NON-CURRENT LIABILITIES			
Lease liabilities		25,222	39,394
Long-term provisions	12	6,370	13,800
Long-term borrowings	13	300,926	100,616
TOTAL NON-CURRENT LIABILITIES		<u>332,518</u>	153,810
TOTAL LIABILITIES		<u>635,110</u>	465,471
NET ASSETS		<u>168,771</u>	59,657
EQUITY			
Retained earnings		<u>168,771</u>	59,657
TOTAL EQUITY		<u>168,771</u>	59,657

The accompanying notes form part of these financial statements.

Kotara Bowling and Recreation Club Co-Operative Limited

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Statement of Changes in Equity For the Year Ended 30 June 2021

2021

	Retained Earnings
	\$
Balance at 1 July 2020	59,657
Profit / (loss) attributable to members	109,114
Balance at 30 June 2021	<u>168,771</u>

2020

	Retained Earnings
	\$
Balance at 1 July 2019	(101,695)
Profit / (loss) attributable to members	161,352
Balance at 30 June 2020	<u>59,657</u>

The accompanying notes form part of these financial statements.

Kotara Bowling and Recreation Club Co-Operative Limited

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Statement of Cash Flows

For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,475,113	1,567,455
Payments to suppliers and employees	(1,484,584)	(1,496,224)
Interest received	57	93
Borrowing costs	(15,507)	(29,365)
Federal Government JobKeeper income	150,150	42,000
Federal Government Cashflow Boost	25,423	42,376
State Government Small Business Grants	4,500	10,000
Net cash provided by/(used in) operating activities	<u>155,152</u>	<u>136,335</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(233,353)</u>	(25,103)
Net cash used by investing activities	<u>(233,353)</u>	<u>(25,103)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	347,796	-
Repayment of borrowings	(98,789)	(109,884)
Repayment of leases	(12,643)	(10,984)
Net cash provided by/(used in) financing activities	<u>236,364</u>	<u>(120,868)</u>
Net increase/(decrease) in cash and cash equivalents held	158,163	(9,636)
Cash and cash equivalents at beginning of year	<u>52,248</u>	61,884
Cash and cash equivalents at end of financial year	5 <u>210,411</u>	<u>52,248</u>

The accompanying notes form part of these financial statements.

Kotara Bowling and Recreation Club Co-Operative Limited

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Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Co-operatives National Law (NSW)* and the *Co-operatives National Regulations (NSW)*.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

(b) Significant changes in the current report period

Since the World Health Organisation ("WHO") declared COVID-19 as a pandemic in March 2020, the Club has experienced periods of closure and restricted trade due to directives from government and health authorities.

During the 2021 financial year, COVID-19 impacted the Club's trade in the following ways:

- Social distancing measures restricted the number of members and visitors the Club could admit for the period 1 July 2020 to 25 November 2020.
- The Club received JobKeeper for the period to December 2020 which enabled the Club to retain employees.

Adherence with social distancing rules, including implementing a COVID-19 safety plan, rostering of hygiene marshalls, restricting the number of patrons in the Club and utilising Service NSW electronic check-in for patrons are now considered the normal course of business.

The Board and Management continue to monitor the continuing challenges that COVID-19 presents. Strategies will be engaged again if required to minimise the impact of COVID-19 on the Club's financial performance should government and health authorities direct businesses to restrict trade or close for a period of time.

(c) Income tax

The Club is exempt from income tax under Section 50-45 of the Income Tax Assessment Act 1997. This exemption is subject to the provisions that the legislation does not change and that the objects and activities of the Club do not alter in future years.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value.

Kotara Bowling and Recreation Club Co-Operative Limited

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Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(e) Property, plant and equipment

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

Property

Land and buildings are measured at cost less accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

Depreciation

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

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Class of Fixed Asset	Depreciation rate
Plant and Equipment	5 - 50 %
Leasehold improvements	2.5 - 20%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

Kotara Bowling and Recreation Club Co-Operative Limited

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Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(f) Impairment of non-financial assets

At the end of each reporting period, the Club assesses whether there is any indication that an asset may be impaired. 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 value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

(g) Employee benefits

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at their nominal amount as it has been determined that they are not materially different from their present value.

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

(h) Revenue and other income

The Club recognises revenue when it transfers control over a product or service to a customer. Revenue is measured based on the amount of consideration expected to be received in exchange for the transfer of the good or service to the customer.

Revenue from contracts with customers

Revenue from the sale of goods is recognised at the point of delivery.

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

Gaming machine revenue is recognised at the point of sale and represents the difference between the amounts earned through gaming wagers less the payouts from those wagers. Liabilities are recognised for anticipated payouts for progressive jackpots.

Revenue from membership subscriptions is recognised on a straight-line basis over the financial year.

Other revenue

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

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

Kotara Bowling and Recreation Club Co-Operative Limited

ABN 13 708 432 461

Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(j) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) Gaming machine rebate

The Club received a rebate to compensate the loss of gaming machine income due to the introduction of GST. The period which the rebate relates to is from 1 June 2020 to 31 May 2021.

(l) Comparative figures

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

(m) Borrowing costs

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(n) Trade and other receivables

Trade receivables, which have 14 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectable amounts.

(o) Trade and other payables

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Club during the reporting period which remain unpaid at balance date. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Kotara Bowling and Recreation Club Co-Operative Limited

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Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(p) 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 Club.

Key estimates - impairment

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

(q) Leases

At inception of a contract, the Club 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 Club where the Club is 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.

Initially 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. If this rate cannot be readily determined, the Club uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- Fixed lease payments less any lease incentive;
- Lease payments of under extension options if lessee is reasonably certain to exercise the options; and
- Payments of penalties 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 amortisation and impairment losses.

Right-of-use assets are amortised over the lease term or useful life of the underlying asset whichever is the shortest.

Kotara Bowling and Recreation Club Co-Operative Limited

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Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(r) Investments and other financial assets

(i) Classification

The Club classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Club's business model for managing the financial assets and the contractual terms of the cash flows.

The Club is using the measured at amortised cost method for all its financial assets, namely trade and other receivables. Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Club commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Club has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

Subsequent to initial recognition, financial assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment for expected credit losses are recognised in the profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Kotara Bowling and Recreation Club Co-Operative Limited

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Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(r) Investments and other financial assets

(iv) Impairment

Impairment of financial assets is recognised on an expected credit loss (ECL) – forward looking – basis for all financial assets measured at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Club considers reasonable and supportable information that is relevant and available, including both quantitative and qualitative information and analysis based on the Club's historical experience and informed credit assessment, including forward looking information.

Credit losses are measured as the present value of the difference between the cash flows due to the Club in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

(s) Financial liabilities

i) Classification

The Club is using the measured at amortised cost method for all its financial liabilities. The financial liabilities of the Club comprise trade payables.

Liabilities measured at amortised cost are financial liabilities where the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Recognition and derecognition

The Club measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The Club derecognises financial liabilities when, and only when, the Club's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(t) New Accounting Standards and Interpretations

AASB 1060 – General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (applicable to annual reporting periods beginning on or after 1 July 2021)

AASB 1060 is a new self-contained standard that sets out all of the disclosure requirements relevant to a Tier 2 General Purpose Financial Statement (GPFS) preparer. The new disclosures have been significantly simplified when compared to either those required by a Tier 1 entity or those required under the AASB's existing Tier 2 Reduced Disclosure Framework (RDR), especially in the areas of revenue, leases, impairment and financial instruments.

Kotara Bowling and Recreation Club Co-Operative Limited

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Notes to the Financial Statements
For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(t) New Accounting Standards and Interpretations

The new standard applies to all entities preparing GPFS-Tier 2 and replaces the current Reduced Disclosure Requirements (RDR) Framework.

While entities that comply with this Standard need to apply the recognition and measurement requirements in other Standards, they are exempt from the disclosure requirements in specified paragraphs in other Standards.

(u) Authorisation of Financial Statements

The financial statements were authorised for issue on 17 September 2021 by the Directors.

Kotara Bowling and Recreation Club Co-Operative Limited

ABN 13 708 432 461

Notes to the Financial Statements For the Year Ended 30 June 2021

2 Revenue

	2021	2020
	\$	\$
Revenue from contracts with customers		
- Trading revenue	1,283,886	1,300,640
Other revenue from contracts with customers		
- Membership subscriptions	10,575	18,917
- Other income	12,958	13,887
Total other revenue from contracts with customers	23,533	32,804
Total revenue from contracts with customers	1,307,419	1,333,444
Other revenue from ordinary activities		
- Interest received	57	93
- Rebate for GST on gaming machine duty	17,180	17,180
- Commissions received	12,548	15,250
- Sponsorship and donations	2,350	43,299
- Insurance recovery proceeds	-	13,790
- Other income	2,500	1,002
Total other revenue from ordinary activities	34,635	90,614
Other revenue from non-ordinary activities		
- Federal Government JobKeeper income	129,150	63,000
- Federal Government Cashflow Boost	25,423	42,376
- State Government Small Business Grants	4,500	10,000
Total other revenue from non-ordinary activities	159,073	115,376
Total Revenue	1,501,127	1,539,434

3 Result for the Year

(a) Significant Item

Insurance recovery proceeds	-	13,790
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4 Interests of Key Management Personnel

Key management personnel compensation	90,780	61,123
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Kotara Bowling and Recreation Club Co-Operative Limited

ABN 13 708 432 461

Notes to the Financial Statements For the Year Ended 30 June 2021

5 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash on hand	28,000	20,000
Cash at bank	182,411	32,248
	<u>210,411</u>	<u>52,248</u>

6 Trade and Other Receivables

CURRENT		
Trade receivables	839	804
Other receivables	4,429	22,119
	<u>5,268</u>	<u>22,923</u>

7 Inventories

CURRENT		
Trading stock on hand	20,629	13,149

8 Other Assets

CURRENT		
Prepayments	36,272	25,417

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Notes to the Financial Statements For the Year Ended 30 June 2021

9 Property, plant and equipment

	2021	2020
	\$	\$
Capital works in progress		
At cost	4,685	-
Leasehold Improvements		
At cost	1,427,439	1,399,040
Accumulated depreciation	(1,201,628)	(1,161,707)
Total leasehold improvements	<u>225,811</u>	<u>237,333</u>
Plant and equipment		
At cost	1,517,599	1,561,913
Accumulated depreciation	(1,254,680)	(1,437,069)
Total plant and equipment	<u>262,919</u>	<u>124,844</u>
Total property, plant and equipment	<u><u>493,415</u></u>	<u><u>362,177</u></u>

(a) Movements in Carrying Amounts

	Capital Works in Progress	Leasehold Improvements	Plant and Equipment	Total
	\$	\$	\$	\$
Year ended 30 June 2021				
Balance at the beginning of year	-	237,333	124,844	362,177
Additions	4,685	28,399	200,269	233,353
Disposals - written down value	-	(74)	(317)	(391)
Depreciation expense	-	(39,847)	(61,877)	(101,724)
Balance at 30 June 2021	<u>4,685</u>	<u>225,811</u>	<u>262,919</u>	<u>493,415</u>

(b) Core & non-core property

As required by the Registered Clubs Act 1976 all Clubs are required to specify core and non-core property of the Club. As at 30 June 2021 the entire balance shown above in Leasehold Improvements is core property. For further disclosure of core and non-core property refer to page 3 of the financial statements.

Kotara Bowling and Recreation Club Co-Operative Limited

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Notes to the Financial Statements For the Year Ended 30 June 2021

10 Right-of-use Assets

The Club's lease portfolio includes the SwiftPOS till system with Pivotal Finance. This lease has a term of 5 years, commencing 31 January 2019. The Club also leases a photocopier with Macquarie Equipment Rentals. This lease has a term of 5 years, commencing from 28 February 2019.

	2021	2020
	\$	\$
Leased equipment	64,023	62,085
Accumulated amortisation	(26,137)	(12,871)
	<u>37,886</u>	<u>49,214</u>
AASB 16 related amounts recognised in the statement		
Amortisation charge related to right-of-use assets	13,266	12,871
Interest expense on lease liabilities	3,135	3,778

11 Trade and Other Payables

CURRENT

Unsecured liabilities		
Trade payables	28,012	121,275
Other creditors and accruals	84,407	76,059
	<u>112,419</u>	<u>197,334</u>

12 Provisions

CURRENT

Employee benefits	41,601	17,919
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NON-CURRENT

Employee benefits	6,370	13,800
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13 Borrowings

CURRENT

Bank loan	76,209	31,361
Asset purchase	54,889	29,540
Member loans	2,300	23,800
	<u>133,398</u>	<u>84,701</u>

NON-CURRENT

Bank loan	225,042	95,342
Asset purchase	75,884	5,274
	<u>300,926</u>	<u>100,616</u>

Kotara Bowling and Recreation Club Co-Operative Limited

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Notes to the Financial Statements For the Year Ended 30 June 2021

13 Borrowings

(a) Security

The bank loans are secured by:

- Registered Mortgage Debenture over the whole of Kotara Bowling Club Co-op Limited ACN 069 233 601 assets including goodwill and uncalled capital and called but unpaid capital together with relative insurance policy assigned to the National Australia Bank Limited.
- Mortgage over lease given by Kotara Bowling Club Co-op Limited ACN 069 233 601 over premises comprised in Certificate of Title Auto Consol 7769-111 known as Kotara Bowling Club situated at Howell Street, Kotara NSW.

The asset purchase agreements are secured by the assets purchased.

14 Related Party Transactions

The Club's main related parties are as follows:

(a) Key Management Personnel of the Club

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Club, directly or indirectly, including any Director (whether executive or otherwise) of the Club, is considered key management personnel. Refer to Note 4.

(b) Other Related Parties of the Club

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Transactions and Outstanding Balances with Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following relationships and/or transactions occurred with related parties:

- The company of President, Mr. R. Muir, received payments for telephone and internet services, as well as IT support provided to the Club on normal commercial terms.

Kotara Bowling and Recreation Club Co-Operative Limited

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Notes to the Financial Statements For the Year Ended 30 June 2021

15 Events after the Reporting Date

From 5pm on 5 August 2021, the Club was forced into lockdown by the NSW Government due to escalating transmission of COVID-19 within NSW regional areas. The lockdown was imposed in an attempt to restrict the spread of the virus. This lockdown period continues as at the date of the financial report issued by Directors. The Club has not been able to trade during this closure period. The Club has all intentions to comply with COVID-19 safety and social distancing measures outlined by authorities when the Club re-opens based on directives of the NSW Government.

To minimise the impacts on cashflows during this closure period, Management of the Club have adopted various short-term measures including:

- Monitoring stock expiry dates and taking appropriate action to reduce the financial impacts of stock losses.
- Sourced funding offered by the NSW Government (COVID grants and / or JobSaver) where applicable.
- Staff have been working less hours reducing wages costs. Permanent and part-time staff have access to unused leave balances.
- Contacting suppliers and taking up revised payment terms if offered.
- Incentives offered through other taxes or duties payable have also been considered.

The Club is in a sound financial position as at 30 June 2021 and impacts of this forced closure are unlikely to have a material impact on the Club's cash position. Management and the Board recognise that the situation associated with the management of COVID-19 and lockdown will continue to evolve on a daily basis and it is difficult to estimate with any degree of certainty the resulting impact (financial and operational) which this may have on the Club, its members and its future results and financial position.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.