

Windale Gateshead Bowling Club Co-operative Limited

ABN: 94 060 243 775

Financial Statements

For the Year Ended 31 May 2020

Windale Gateshead Bowling Club Co-operative Limited

ABN: 94 060 243 775

Directors' Report

31 May 2020

The directors present their report on Windale Gateshead Bowling Club Co-operative Limited for the financial year ended 31 May 2020.

1. General information

Information on directors

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

Harry Bulmer

Experience Director for 18 years

Special responsibilities Deputy Chairman

Brian Kilduff

Experience Director for 19 years

Special responsibilities Social Director

Warren Meek

Appointed 24/08/2019

Experience Director for 1 year

Special responsibilities Chairman

Stephen Strudwick

Appointed 24/08/2019

Experience Director for 5 years (previously served from 2014-2018)

Special responsibilities Director

Bruce Jack

Appointed October 2019

Experience Director for 1 year

Special responsibilities Director

Frank Jackson

Experience Director for 3 years

Special responsibilities Director

Anthony Murphy

Experience Director for 3 years

Special responsibilities Director

Mark Lancaster

Experience Director for 2 years

Special responsibilities Director

Frank Botham

Not elected 24/08/2019

Stewart Bradley

Resigned 26/09/2019

Keith Bailey

Not elected 24/08/2019

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

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Directors' Report

31 May 2020

1. General information

Principal activities

The principal activity of Windale Gateshead Bowling Club Co-operative Limited during the financial year was operated a registered club, promoting the game of lawn bowls and providing amenities to members and their guests.

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

Short term objectives

The Company's short term objectives are to:

- Exceed members and guests needs and expectations on the provision of facilities, products and services.
- Support a safe and friendly environment for staff and customers that encourages the principles of the Responsible Service of Alcohol and the Responsible Conduct of Gaming.

Long term objectives

The Company's long term objectives are to:

- Provide the community a continual level of high quality services and facilities in a safe and friendly environment.
- Generate profits that will be reinvested into improved services and facilities for members and community support.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- The board of directors, management and staff together are committed to achieving the best practice principles which are measurable by the continual support of community partnerships whilst exceeding financial benchmarks.
- Meeting and surpassing our strategic goals is achieved through constant review and evaluation of business practices using the opinions of members and their guests, staff and professional alliances.

2. Other items

Matters or circumstances arising after the end of the year

During the week beginning 16 March 2020, the Australian Government together with State and Territory Premiers announced a series of measures aimed at preventing the spread of COVID-19 ("measures"), which had the effect of impacting the state of the Australian economy (i.e. impact on supply chain, customers, availability of finance, consumer confidence, etc.).

Subsequent to these measures on 22 March 2020 it was announced that all registered Clubs were to cease operating from midday the following day. The Club followed this directive and management have stood down the vast majority of permanent and casual staff.

Management is still in the process of quantifying the financial impact of the enforced temporary closure, however it is

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Directors' Report 31 May 2020

2. Other items

Matters or circumstances arising after the end of the year

working with employees and creditors to minimise this as much as possible. The Board also recognises that the situation associated with the management of COVID-19 continues to evolve on a daily basis and it is difficult to estimate with any degree of certainty how long the Club will remain open again.

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 Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

There were no likely developments in the Co-operatives operations that were not finalised at the date of this report.

Meetings of directors

During the financial year, 16 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:


	Ordinary Directors' Meetings		Special Directors' Meeting	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Harry Bulmer	10	10	6	6
Brian Kilduff	10	8	6	3
Warren Meek	7	7	6	6
Stephen Struwick	7	7	6	6
Bruce Jack	6	6	4	4
Frank Jackson	10	9	6	6
Anthony Murphy	10	10	6	6
Mark Lancaster	10	8	6	4
Frank Botham	3	3	-	-
Stewart Bradley	3	1	2	-
Keith Bailey	3	3	-	-

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 May 2020 has been received and can be found on page 4 of the financial report.

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

Director: 
Warren Meek

Director: 
Harry Bulmer

Dated 24 October 2020

Windale Gateshead Bowling Club Co-operative Limited

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**Auditor's Independence Declaration under Section 307C of the
Corporations Act 2001 to the Directors of Windale Gateshead Bowling
Club Co-operative Limited**

I declare that, to the best of my knowledge and belief, during the year ended 31 May 2020, there have been:

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



Neil Watson
Partner
KLM Accountants

24 October 2020

Charlestown, NSW

Windale Gateshead Bowling Club Co-operative Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 May 2020

		2020	2019
	Note	\$	\$
Revenue	5	2,157,815	2,780,661
Other income	5	94,348	34,110
Raw materials and consumables used		(381,986)	(449,276)
Employee benefits expense		(722,581)	(773,668)
Bar Expenses		(36,019)	(45,666)
Poker Machine Expenses		(373,752)	(485,854)
Keno Expenses		(5,064)	(5,539)
TAB Expenses		(24,636)	(26,299)
Social Expenses		(182,348)	(232,198)
Bowling Expenses		(56,568)	(88,114)
Other expenses		(558,452)	(605,388)
Profit before income tax		(89,243)	102,769
Income tax expense		-	-
Profit from continuing operations		(89,243)	102,769
Total comprehensive income for the year		(89,243)	102,769

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 31 May 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	643,549	719,533
Trade and other receivables	8	106,826	24,188
Inventories	9	23,046	30,979
Other assets	11	26,167	41,830
TOTAL CURRENT ASSETS		799,588	816,530
NON-CURRENT ASSETS			
Property, plant and equipment	10	2,605,300	2,815,323
TOTAL NON-CURRENT ASSETS		2,605,300	2,815,323
TOTAL ASSETS		3,404,888	3,631,853
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	43,048	129,458
Borrowings	13	26,276	70,360
Employee benefits	16	55,276	61,150
Other financial liabilities	14	4,248	12,843
Other liabilities	15	24,167	25,228
TOTAL CURRENT LIABILITIES		153,015	299,039
NON-CURRENT LIABILITIES			
Employee benefits	16	26,647	16,357
Other financial liabilities	14	3,521	5,509
TOTAL NON-CURRENT LIABILITIES		30,168	21,866
TOTAL LIABILITIES		183,183	320,905
NET ASSETS		3,221,705	3,310,948
EQUITY			
Reserves		2,659	2,659
Retained earnings		3,219,046	3,308,289
TOTAL EQUITY		3,221,705	3,310,948

The accompanying notes form part of these financial statements.

Windale Gateshead Bowling Club Co-operative Limited

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Statement of Changes in Equity
For the Year Ended 31 May 2020

2020

Balance at 1 June 2019

Profit attributable to members of the parent entity

Balance at 31 May 2020

Note	Retained Earnings	General Reserve	Total
	\$	\$	\$
	3,308,289	2,659	3,310,948
	(89,243)	-	(89,243)
	3,219,046	2,659	3,221,705

2019

Balance at 1 June 2018

Profit attributable to members of the parent entity

Balance at 31 May 2019

Note	Retained Earnings	General Reserve	Total
	\$	\$	\$
	3,205,520	2,659	3,208,179
	102,769	-	102,769
	3,308,289	2,659	3,310,948

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 31 May 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	2,297,988	3,051,729
Payments to suppliers and employees	(2,211,905)	(2,644,799)
Interest received	8,648	9,619
Net cash provided by/(used in) operating activities	22 94,731	416,549
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	21,002
Purchase of property, plant and equipment	(126,631)	(331,925)
Net cash provided by/(used in) investing activities	(126,631)	(310,923)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	-	47,187
Repayment of borrowings	(44,084)	(80,487)
Net cash provided by/(used in) financing activities	(44,084)	(33,300)
Net increase/(decrease) in cash and cash equivalents held	(75,984)	72,326
Cash and cash equivalents at beginning of year	719,533	647,207
Cash and cash equivalents at end of financial year	7 643,549	719,533

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 31 May 2020

The financial report covers Windale Gateshead Bowling Club Co-operative Limited as an individual entity. Windale Gateshead Bowling Club Co-operative Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Windale Gateshead Bowling Club Co-operative Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements, the Co-operatives (Adoption of National Law) Act 2012 and the *Corporations Act 2001*

(a) Significant changes

Impact of COVID-19 on Club Operations

On 11 March 2020, the World Health Organisation ("WHO") declared the Coronavirus disease 2019 ("COVID-19") a pandemic. The pandemic has adversely affected the global economy, including an increase in unemployment, decrease in consumer demand, interruptions in supply chains, and tight liquidity and credit conditions. Consequently, governments around the world have announced monetary and fiscal stimulus packages to minimise the adverse economic impact. However, the COVID-19 situation is still evolving, and its full economic impact remains uncertain.

During the week beginning 16 March 2020, the Australian Government together with State and Territory Premiers announced a series of measures aimed at preventing the spread of COVID-19, which had the effect of impacting the state of the Australian economy (i.e. impact on supply chain, customers, availability of finance, consumer confidence, etc.).

Subsequent to these measures on 22 March 2020 it was announced that all registered clubs were to cease operating from midday the following day. The Club followed this directive and management stood down the vast majority of permanent and casual staff.

The Board and Management have implemented a range of operational and financial strategies in order to minimise the impact of this enforced closure including, but not limited to:

- Accessing available NSW and federal government stimulus measures to assist the Club's cashflow.
- Employing government initiatives, in particular with respect to ensuring that our employees can remain employed at the Club via JobKeeper payments.
- Cashflow tightening measures to ensure ongoing adequate cash reserves to trade through the impact, including reduction of operational expenditure and stalling of discretionary major projects at this time. Management have suspended and / or reduced contracts and supplier payments where possible.

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

The Company has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 June 2019.

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Notes to the Financial Statements For the Year Ended 31 May 2020

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

The Company has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. No adjustments to retained earnings at 1 June 2019 was required on adoption of AASB 15 and AASB 1058.

The key changes to the Company's accounting policies and the impact on these financial statements from applying AASB 15 and AASB 1058 are described below.

Impact of adoption of AASB15 and AASB1058

Under AASB 1004, most grant income was recognised as revenue on receipt. Under AASB 1058 and AASB 15, where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed or recognised at the point in time that the control of the services pass to the customer. Having reviewed the terms and conditions of grants received by the Company, some of them are within the scope of AASB 1058 and others within AASB 15 however no deferral of revenue for these monies was required.

Under AASB 1004, most grant monies were recorded as revenue on receipt. Under AASB 1058, where the Company has received assets (including cash) to acquire or construct a non-financial asset, the asset is to be controlled by the Company and there is a refund liability if the terms and conditions of the grant are not met then the asset is recognised as a contract liability on receipt and recorded as revenue as the performance obligation to acquire or construct the asset is completed.

The adoption of AASB15 and AASB1058 has not resulted in any material adjustments to the reported financial position, performance or cashflow of the Company for the year ended 30 June 2020.

Leases - Adoption of AASB 16

The Company has adopted AASB 16 Leases using the modified retrospective (cumulative catch-up) method from 1 June 2019 and therefore the comparative information for the year ended 31 May 2019 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations. An adjustment to retained earnings at 1 June 2019 was required on adoption of AASB 16 of \$49,939.

Impact of adoption of AASB 16

The impact of adopting AASB 16 is described below:

Entity as a lessee

Under AASB 117, the Company assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Company or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Company has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

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Notes to the Financial Statements For the Year Ended 31 May 2020

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition. The Company has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Company's incremental borrowing rate at 1 July 2019;

Leases - Adoption of AASB 16

Impact of adoption of AASB 16

- a single discount rate was applied to all leases with similar characteristics;
- excluded leases with an expiry date prior to 30 June 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same value as the leased asset and liability on 1 July 2019.

The Company has no lease agreements for the 2020 financial year and no "Right of Use Assets" were required to be recognised.

3 Summary of Significant Accounting Policies

(a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

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Notes to the Financial Statements For the Year Ended 31 May 2020

3 Summary of Significant Accounting Policies

(b) Revenue and other income

For comparative year

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Company obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the Company and the amount of the grant can be measured reliably.

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

Windale Gateshead Bowling Club Co-operative Limited receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

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Notes to the Financial Statements For the Year Ended 31 May 2020

3 Summary of Significant Accounting Policies

(b) Revenue and other income

Revenue from contracts with customers

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

For current year

The revenue recognition policies for the principal revenue streams of the Company are:

Grant income

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

The performance obligations are varied based on the agreements but mostly include the management of the education curriculum and related costs.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Windale Gateshead Bowling Club Co-operative Limited

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Notes to the Financial Statements For the Year Ended 31 May 2020

3 Summary of Significant Accounting Policies

(b) Revenue and other income

Specific revenue streams

Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations are recorded under AASB 1058. Amounts arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The Company considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Capital grants

Capital grants received to enable the Company to acquire or construct an item of property, plant and equipment to identified specifications which will be under the Company's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Company.

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the Company gains control of the asset.

Building fund

Donations to the building fund are recognised as revenue on receipt.

Subscriptions

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

Gaming machine income

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

(c) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

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Notes to the Financial Statements For the Year Ended 31 May 2020

3 Summary of Significant Accounting Policies

(c) Goods and services tax (GST)

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first in first out basis and are net of any rebates and discounts received.

(e) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Freehold land and buildings

Freehold land and buildings are measured using the cost model. The carrying amount of freehold land and buildings is reviewed to ensure it is not in excess of the recoverable amount based on valuations by external independent valuers, less subsequent depreciation for buildings, undertaken every 3 to 5 years

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be charged against fair value reserves directly in equity. All other decreases are recognised in the profit and loss.

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

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

Plant and equipment

Plant and equipment are measured using the cost model. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

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Notes to the Financial Statements For the Year Ended 31 May 2020

3 Summary of Significant Accounting Policies

(e) Property, plant and equipment

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	20-40 years
Plant and Equipment	1-20 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

(i) Impairment of Financial Assets

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(g) Intangibles

Poker machine entitlements

Poker machine entitlements are recognised at cost of acquisition. Directors have assessed that poker machine entitlements have an indefinite useful life. These assets are tested annually for impairment and carried at cost less accumulated depreciation.

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Notes to the Financial Statements For the Year Ended 31 May 2020

3 Summary of Significant Accounting Policies

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(i) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(j) Leases

For comparative year

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

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Lease assessment at contract inception

For current year

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.

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Notes to the Financial Statements For the Year Ended 31 May 2020

- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Windale Gateshead Bowling Club Co-operative Limited

ABN: 94 060 243 775

Notes to the Financial Statements For the Year Ended 31 May 2020

4 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

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

The freehold land and buildings were independently valued at 22 September 2014 by Preston Rowe Paterson. The valuation was based on the fair value less cost of disposal. The critical assumption adopted in determining the valuation included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties. The freehold land and buildings were valued at \$3.9 million.

At 31 May 2020, the directors have performed a directors' valuation on the freehold land and buildings. The directors have reviewed the key assumptions made by the valuers at 22 September 2014 and do not believe there has been a significant change in the assumptions as at 31 May 2020. The directors therefore believe the carrying amount of the land correctly reflects the fair value less cost of disposal at 31 May 2020.

Key estimates - depreciation and amortisation rates

The Company estimates the useful life of fixed assets from the acquisition date and depreciates the amount on a straight line basis. Key assumptions are made about the useful life of the fixed assets based on similar assets they have held previously and their knowledge of each type of fixed asset.

5 Revenue and Other Income

Revenue from continuing operations

	2020	2019
	\$	\$
Sales revenue		
- sale of goods	818,196	1,009,707
- provision of services	1,339,619	1,770,954
	2,157,815	2,780,661
Other revenue		
- cash boost government stimulus	50,000	-
- grants	10,000	24,000
- insurance claims	25,700	491
- interest received	8,648	9,619
	94,348	34,110
Total Revenue	2,252,163	2,814,771

Windale Gateshead Bowling Club Co-operative Limited

ABN: 94 060 243 775

Notes to the Financial Statements For the Year Ended 31 May 2020

6 Result for the Year

The result for the year includes the following specific expenses:

	2020	2019
	\$	\$
Cost of sales	381,986	449,276
Other expenses:		
Employee benefits expense	722,581	773,668
Depreciation and amortisation expenses	315,516	327,282
Net loss on disposal of fixed assets	21,138	12,124

7 Cash and Cash Equivalents

Cash at bank and in hand	246,505	329,762
Deposits at call	397,044	389,771
	<u>643,549</u>	<u>719,533</u>

(a) Deposits at call

The deposits were bearing floating interest rates between 1.50% and 1.75% (2019: 2.45% and 2.60%).

8 Trade and Other Receivables

CURRENT		
Trade receivables	51,906	18,192
Accrued income	1,930	799
Government subsidies receivable	54,000	-
Other receivables	(1,010)	5,197
Total current trade and other receivables	<u>106,826</u>	<u>24,188</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Other receivables generally arise from transactions outside the usual operating activities of the Co-operative. Interest is not normally charged. Collateral is not normally obtained.

9 Inventories

CURRENT		
At cost:		
Bar stock on hand	18,865	25,568
Pennant bowls uniform	3,907	4,993
Vending machine stock	274	418
	<u>23,046</u>	<u>30,979</u>

Windale Gateshead Bowling Club Co-operative Limited

ABN: 94 060 243 775

Notes to the Financial Statements For the Year Ended 31 May 2020

16 Employee Benefits

	2020	2019
	\$	\$
Current liabilities		
Long service leave	26,195	23,998
Provision for employee benefits	29,081	37,152
	<u>55,276</u>	<u>61,150</u>
Non-current liabilities		
Long service leave	26,647	16,357

17 Reserves

(a) General reserve

The general reserve records funds set aside for future expansion of Windale Gateshead Bowling Club Co-operative Limited.

18 Leasing Commitments

(a) Finance leases

Finance leases are in place for poker machines, beer taps and normally have a term between 1 and 3 years.

(b) Operating leases

	2020	2019
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	7,392	20,139
- between one year and five years	3,080	10,472
	<u>10,472</u>	<u>30,611</u>

19 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstandings and obligations of the Company. At 31 May 2020 the number of members was 1,705 (2019: 1,688).

20 Directors' Remuneration

The totals of remuneration paid to the directors of Windale Gateshead Bowling Club Co-operative Limited during the year were in connection with the management of affairs of the Co-operative.

	2020	2019
	\$	\$
Honorariums	11,040	14,810

Windale Gateshead Bowling Club Co-operative Limited

ABN: 94 060 243 775

Notes to the Financial Statements For the Year Ended 31 May 2020

21 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 May 2020 (31 May 2019:None).

22 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2020	2019
	\$	\$
Profit for the year	(89,243)	102,769
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation and amortisation	315,516	327,282
- net (gain)/loss on disposal of property, plant and equipment	21,138	(6,196)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(82,638)	(1,806)
- (increase)/decrease in other assets	15,663	12,427
- (increase)/decrease in inventories	7,933	702
- increase/(decrease) in trade and other payables	(86,410)	(40,347)
- increase/(decrease) in other liabilities	4,416	14,472
- increase/(decrease) in employee benefits	(11,644)	7,243
Cashflows from operations	<u>94,731</u>	<u>416,546</u>

23 Events after the end of the Reporting Period

The financial report was authorised for issue on 24 October 2020 by the Board of Directors.

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

24 Statutory Information

Core property - The registered office and principal place of business of the company is:
Windale Gateshead Bowling Club Co-operative Limited
2A Lake Street
Windale NSW 2306

Non- Core Property - Nil

Windale Gateshead Bowling Club Co-operative Limited

ABN: 94 060 243 775

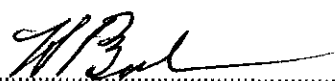
Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 27, are in accordance with the *Co-operatives (Adoption and National Law) Act 2012*, the *Co-operatives (New South Wales) Regulation 2014*, the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 31 May 2020 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director 
Warren Meek

Director 
Harry Bulmer

Dated 24 October 2020

Windale Gateshead Bowling Club Co-operative Limited

Independent Audit Report to the members of Windale Gateshead Bowling Club Co-operative Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Windale Gateshead Bowling Club Co-operative Limited (the Company), which comprises the statement of financial position as at 31 May 2020, 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.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's financial position as at 31 May 2020 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Co-operatives (Adoption and National Law) Act 2012, the Co-operatives (New South Wales) Regulation 2014 and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Emphasis of Matter

We draw attention to Note 1(a) post balance date events to the financial statements, which describes the uncertainties and possible effect on Windale Gateshead Bowling Club Co-operative Limited arising from its management of the ongoing issues related to Covid-19. Our opinion is not modified in respect of this matter.

Windale Gateshead Bowling Club Co-operative Limited

Independent Audit Report to the members of Windale Gateshead Bowling Club Co-operative Limited

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 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 the financial report.



Neil Watson
Partner

Charlestown, NSW
24 October 2020

Windale Gateshead Bowling Club Co-operative Limited

ABN: 94 060 243 775

For the Year Ended 31 May 2020

Disclaimer

The additional financial data presented on 23 -27 is in accordance with the books and records of the Company which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 31 May 2020. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Windale Gateshead Bowling Club Co-operative Limited) in respect of such data, including any errors or omissions therein however caused.

KLM Accountants



.....
Charlestown
24 October 2020

Windale Gateshead Bowling Club Co-operative Limited

ABN: 94 060 243 775

Detailed Trading Statements

For the Year Ended 31 May 2020

	2020	2019
	\$	\$
BAR TRADING STATEMENT		
Sales	818,196	1,009,707
Cost of sales	(381,986)	(449,276)
Gross profit	436,210	560,431
Gross Profit %	53.3%	55.5%
Direct expenses		
Cleaning	(465)	(259)
Laundry	(62)	(22)
Overs/Unders – Bar	(833)	(659)
Promotions	-	(6,133)
Replacements	(3,650)	(4,503)
Repairs and maintenance	(3,385)	(5,857)
Wages	(210,608)	(241,534)
Wastage	(2,756)	(2,780)
TRADING SURPLUS	214,451	298,684
Profit / (loss) to sales %	26.2%	29.6%
Wages to sales %	25.7%	23.9%

Windale Gateshead Bowling Club Co-operative Limited

ABN: 94 060 243 775

Detailed Trading Statements

For the Year Ended 31 May 2020

	2020	2019
	\$	\$
POKER MACHINE TRADING STATEMENT		
Net clearances	1,027,538	1,405,420
Unclaimed payouts	580	(717)
Poker machine GST rebate	17,180	17,180
	1,045,298	1,421,883
Direct expenses		
Bonus points	(37,182)	(52,291)
Data monitoring	(25,319)	(30,852)
Depreciation	(173,399)	(185,818)
Duty tax	(83,879)	(151,931)
Promotions	(12,868)	(15,630)
Overs/Unders – Poker Machines	(431)	-
Repairs and maintenance	(41,105)	(49,332)
Wages	(73,726)	(83,965)
	(447,909)	(569,819)
	597,389	852,064
TRADING SURPLUS		
Profit/(loss) to total income	57.2%	59.9%

Windale Gateshead Bowling Club Co-operative Limited

ABN: 94 060 243 775

Detailed Trading Statements

For the Year Ended 31 May 2020

	2020	2019
	\$	\$
KENO TRADING STATEMENT		
Keno Commissions	46,219	57,279
	<u>46,219</u>	<u>57,279</u>
Direct expenses		
Overs/Unders	(6)	(28)
Repairs and maintenance	(2,611)	(2,285)
Stationery	(1,305)	(1,293)
Wages	(34,583)	(40,548)
	<u>(38,505)</u>	<u>(44,154)</u>
TRADING SURPLUS	<u>7,714</u>	<u>13,125</u>

Windale Gateshead Bowling Club Co-operative Limited

ABN: 94 060 243 775

Detailed Trading Statements

For the Year Ended 31 May 2020

	2020	2019
	\$	\$
TAB TRADING STATEMENT		
TAB Commissions	12,680	15,486
	<u>12,680</u>	<u>15,486</u>
Direct expenses		
Overs/Unders	(5)	27
Promotions	(1,842)	(2,213)
Repairs and maintenance	(6,885)	(4,940)
Sky Channel	(15,620)	(19,443)
Stationary	(554)	-
Wages	(16,829)	(19,058)
	<u>(41,735)</u>	<u>(45,627)</u>
TRADING SURPLUS / (DEFICIT)	<u>(29,055)</u>	<u>(30,141)</u>

Windale Gateshead Bowling Club Co-operative Limited

ABN: 94 060 243 775

Detailed Trading Statements

For the Year Ended 31 May 2020

	2020	2019
	\$	\$
SOCIAL TRADING STATEMENT		
Bingo	14,174	16,232
Bus Income	10,841	15,846
Coffee Machine	1,454	623
Friday Raffle	47,368	54,303
Sunday Raffle	39,631	42,794
Special Raffle	1,200	2,675
Toy Raffle	2,966	4,251
Vending Machine	4,600	5,350
Other Social Income	1,345	6,155
	123,579	148,229
Direct expenses		
Bingo	(16,169)	(19,973)
Coffee Machine	(942)	(738)
Courtesy Bus Fuel	(6,552)	(8,212)
Courtesy Bus Repairs and Maintenance	(11,257)	(6,704)
Courtesy Bus Wages	(20,453)	(30,492)
Foxtel	(19,709)	(24,067)
General	(4,286)	(5,404)
Kids Club	-	(164)
Musical entertainment	(27,916)	(55,511)
Promotions – Bingo	(2,046)	(2,670)
Promotions – Cash Draws	(22,100)	(28,200)
Friday Raffle	(43,777)	(52,927)
Sunday Raffle	(36,428)	(41,509)
Special Raffle	(1,217)	(2,500)
Toy Raffle	(2,861)	(2,757)
Vending Machine	(2,361)	(2,929)
Wages Bingo Westpac	(3,940)	(1,999)
Wages Bingo WGBC	(2,544)	(2,271)
	(224,558)	(289,027)
TRADING SURPLUS / (DEFICIT)	(100,979)	(140,798)

Windale Gateshead Bowling Club Co-operative Limited

ABN: 94 060 243 775

**Detailed Trading Statements
For the Year Ended 31 May 2020**

	2020	2019
	\$	\$
BOWLING TRADING STATEMENT		
Gala and green fees	4,376	3,672
Raffles	-	8,052
Sponsorship	39,803	42,640
Tournament fees	839	1,155
Mattara Fees	142	-
Uniform sales	499	402
	<u>45,973</u>	<u>55,921</u>
Direct expenses		
Catering	(763)	(4,822)
Club champ. Prizes and trophies	(5,554)	(6,637)
Gala and green	(4,838)	(3,359)
Repairs and maintenance	(6,209)	(12,709)
Mens pennant expenses	(2,985)	(2,048)
Other	(4,991)	(7,996)
Bowls uniform	(1,195)	(1,331)
District event expenses	(3,588)	(120)
Presentation night	(418)	(3,217)
Promotions	(2,574)	(4,442)
Raffles	-	(8,100)
RNSWBA, NDBA affiliation fees	(9,338)	(9,145)
Womens Bowling Association fees	(1,141)	(613)
Womens Pennants fees and expense	(230)	(1,803)
Tournament prizes	(10,420)	(13,350)
Wages	(74,783)	(83,826)
	<u>(129,027)</u>	<u>(163,518)</u>
TRADING SURPLUS / (DEFICIT)	<u>(83,054)</u>	<u>(107,597)</u>

Windale Gateshead Bowling Club Co-operative Limited

ABN: 94 060 243 775

Detailed Trading Statements

For the Year Ended 31 May 2020

ADMINISTRATION STATEMENT	2019 \$	2019 \$
Insurance Claims	25,700	491
Interest Received	8,648	9,619
Members Subscriptions	23,073	21,848
Profit on Sale of Fixed Assets	11,319	18,320
Sundry	10,000	24,000
Telephone Receipts	899	1,146
Vending Commissions	30,580	30,839
Cash Boost Stimulus	50,000	-
	160,219	106,263
Direct expenses		
Advertising	(11,740)	(14,694)
Annual leave	(36,345)	(35,993)
Audit fee	(11,750)	(11,250)
Bank charges	(2,579)	(2,945)
Cleaning - general	(3,799)	(8,363)
Cleaning contract	(34,965)	(72,727)
Cleaning materials	(6,039)	(6,832)
Computer software/support	(7,868)	(11,004)
Council rates	(6,656)	(6,486)
COVID-19 expenses	(3,312)	-
Depreciation	(142,117)	(141,464)
Directors' honorariums	(11,040)	(14,810)
Directors' out-of-pocket expenses	(1,911)	(1,482)
Donations	(6,989)	(11,623)
Electricity	(60,458)	(70,001)
Fines	-	(112)
Garbage and refuse disposal	(7,136)	(7,404)
General expenses	(3,532)	(3,661)
Insurance - general	(59,571)	(57,086)
Insurance - workers compensation	(17,641)	(14,908)
Interest	(248)	(2,239)
Kiosk promotions	(5,138)	(3,142)
Long service leave	(12,488)	(7,947)
Loss on disposal fixed asset	(21,138)	(12,124)
Overs and Unders Safe	58	(104)
Payroll Tax	-	-
Pest Control	(2,345)	(2,160)
Printing, stationery & stamps	(9,512)	(9,383)
Professional fees	(4,969)	(5,883)
Promotions	(6,942)	(2,914)
Rentals	(31,130)	(29,545)
Repairs and maintenance	(45,530)	(46,824)

Windale Gateshead Bowling Club Co-operative Limited

ABN: 94 060 243 775

Detailed Trading Statements

For the Year Ended 31 May 2020

	2020	2019
	\$	\$
Repairs and maintenance - wages	(4,727)	(5,982)
Repairs and maintenance – surrounds	(2,588)	(8,625)
Security	(12,726)	(15,951)
Sick leave	(10,196)	(9,588)
Sponsorship	(9,630)	-
Staff training	(4,187)	(1,633)
Subscriptions and licenses	(8,306)	(8,888)
Sundry costs	(5,199)	(642)
Superannuation	(62,950)	(62,678)
Telephone	(9,989)	(13,871)
Uniforms	(1,196)	(1,078)
Wages	(138,889)	(132,877)
Water rates	(10,516)	(11,908)
	<u>(855,929)</u>	<u>(888,828)</u>
Net surplus / (deficit)	(695,666)	(782,565)
NET SURPLUS / DEFICIT FOR THE YEAR	(89,243)	102,769