



**Singleton Bowling Club  
Co-Operative Limited**

ACN 92 048 107 466

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

**Singleton Bowling Club Co-Operative Club** ACN 92 048 107 466  
**Annual financial report for the year ended 30 June 2021**

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

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

## Director's report

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

### Directors details

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

#### Mr Kerry Hardy

President  
Director since 2007

Plant operator in the mining industry since 1979.

#### Mr Ian Skilton

Vice President  
Director since 2017

Retired deputy principal of Singleton High School after 38 years in secondary education. B. Mathematics and Dip. Education (secondary).

#### Mr Bruce Taylor

Treasurer  
Director since 2014

Mechanic trade qualified. Small business operator and sales management experience.

#### Mr James Savage

Director  
Director since 2017

Building trade qualified with 50 years experience & former company director.

#### Mr David Maxwell

Director  
Director since 2017

Background in agriculture and transport. Currently employed in the mining industry.

#### Mr Alan Swan

Director  
Director since 2019

10 years experience as a small business owner/operator and 15 years in hotel management including licensee.

#### Mr Luke Howard

Director  
Director since 2019

Business system analyst/developer in the pharmaceutical manufacturing industry.

### Director's meetings

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

Board members	Board meetings	
	A	B
Mr Kerry Hardy	12	11
Mr Ian Skilton	12	12
Mr Bruce Taylor	12	11
Mr James Savage	12	12
Mr David Maxwell	12	12
Mr Alan Swan	12	8
Mr Luke Howard	12	9

Where:

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

### Core and non-core property

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

**Core** - Land and Buildings upon which the Club and carpark are situated (including #1 and #2 greens), being 50 Pitt Street, Singleton.

**Non-Core** - This comprises: property at 29 William Street, Singleton, land (lots 526 and 525 of DP 1089479, Lot 570 of DP 1089441, Lot 1 of DP 955799, Lot 1 of DP 1009908 and Lot 1 of DP 966788) at Pitt/William Street, Singleton.

## Director's report (continued)

### Principal activities

During the year, the principal activities of the Club was the running of a licensed club for the benefit of its members and to meet the Co-operative's objectives under its constitution.

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

### Review of operations and financial results

The profit achieved for the year was \$336,694 (2020 profit \$105,483). This increase in profit reflects a full year of trading this year compared to the Club being closed from 23 March to 1 June last year.

	2021	2020
	\$	\$
Revenue	3,611,962	2,864,146
Expenses	(3,275,268)	(2,758,663)
Profit before income tax	336,694	105,483
Income tax	-	-
Net profit	336,694	105,483

### Significant changes in state of affairs

No significant changes in the Clubs state of affairs occurred during the financial year other than the impact of COVID-19 as mentioned above.

### Events since the end of the financial year

From 5 August 2021 the Club was required to close again due to lockdowns imposed as a result of the COVID-19 pandemic. The Club focused on controlling costs throughout this period of closure until it was able to recommence trading from 16 September with restrictions in place.

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

### Likely developments and expected results of operations

No new developments are anticipated in the operations of the Club. The expected results for future years are of growth in revenue whilst the Club will control costs wherever possible.

### Environmental regulation

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

### Dividends paid or recommended

The Club is prohibited from paying dividends under its Constitution.

### Options

No options over issued shares or interests in the Club were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

### Indemnifying Officer or Auditor

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

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

## Director's report (continued)

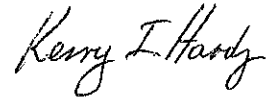
### Rounding of amounts

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

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under Co-operatives National Law 2014 (NSW) is set out on page 6 and forms part of this Directors' report.

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



Kerry Hardy - Director



Ian Skilton - Director

Dated: 29 September 2021

## Auditor's independence declaration

To the Directors of Singleton Bowling Club Co-Operative Limited

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

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

Kirsty Porteous - Partner

DFK Crosbie Partners  
Chartered Accountants

Dated: 29 September 2021  
Newcastle West, NSW

Newcastle | Sydney

Liability limited by a scheme approved under the Professional Standards legislation



**Statement of profit or loss and other comprehensive income**

For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
<b>Revenue from continuing operations</b>	2	<b>3,405,792</b>	<b>2,622,996</b>
Other Income	3	206,170	241,150
Bar cost of goods sold		(233,642)	(243,424)
Bar direct expenses		(236,639)	(181,588)
Cafe cost of goods sold		(13,977)	(26,208)
Cafe direct expenses		(25,834)	(39,129)
Gaming direct expenses		(794,842)	(599,203)
Bowls direct expenses		(67,979)	(99,988)
Clubhouse expenses		(756,708)	(644,710)
Administration expenses		(1,071,621)	(857,973)
Finance costs		(11,738)	(10,117)
Keno & Tab Expenses		(62,288)	(56,323)
		<u>(3,275,268)</u>	<u>(2,758,663)</u>
<b>Profit / (loss) before income tax</b>		<b>336,694</b>	<b>105,483</b>
Income tax expense	1	-	-
<b>Profit / (loss) for the year</b>		<b>336,694</b>	<b>105,483</b>
Other comprehensive income		-	-
Items that will not be reclassified to profit or loss:			
Gain on revaluation of land and buildings		67,804	-
Income tax relating to these items:		-	-
Other comprehensive income for the year, net of tax		<u>67,804</u>	<u>-</u>
<b>Total comprehensive income / (loss) for the year</b>		<b>404,498</b>	<b>105,483</b>

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

**Statement of financial position**

For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	1,241,799	804,483
Trade receivables	5	19,947	9,636
Inventories	6	39,215	22,173
Financial assets at amortised cost	7	85,466	211,325
Other assets	8	59,888	52,235
<b>Total current assets</b>		<b>1,446,315</b>	<b>1,099,852</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	3,026,691	3,079,433
Right-of-use asset	10 (a)	460,129	304,144
<b>Total non-current assets</b>		<b>3,486,820</b>	<b>3,383,577</b>
<b>Total assets</b>		<b>4,933,135</b>	<b>4,483,429</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	186,232	244,020
Financial liabilities	12	39,653	106,031
Provisions	13	90,885	75,837
Other liabilities	14	31,515	26,443
Lease liabilities	10 (b)	173,140	130,515
<b>Total current liabilities</b>		<b>521,425</b>	<b>582,846</b>
<b>Non-current liabilities</b>			
Financial liabilities	12	-	33,853
Provisions	13	26,734	19,725
Other liabilities	14	66,521	75,940
Lease liabilities	10 (b)	255,198	112,306
<b>Total non-current liabilities</b>		<b>348,453</b>	<b>241,824</b>
<b>Total liabilities</b>		<b>869,878</b>	<b>824,670</b>
<b>Net assets</b>		<b>4,063,257</b>	<b>3,658,759</b>
<b>MEMBERS FUNDS</b>			
Reserves	15	67,804	-
Retained profits		3,995,453	3,658,759
<b>Total members funds</b>		<b>4,063,257</b>	<b>3,658,759</b>

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



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

	Asset Revaluation Reserve	Retained Profits \$	Total \$
<b>Balance at 1 July 2019</b>	-	3,553,276	3,553,276
Profit for the year	-	105,483	105,483
<b>Total comprehensive income for the year</b>	-	<b>105,483</b>	<b>105,483</b>
<b>Balance at 30 June 2020</b>	-	<b>3,658,759</b>	<b>3,658,759</b>
Profit for the year	-	336,694.0	336,694.0
Other comprehensive income	67,804.0	-	67,804.0
<b>Total comprehensive income for the year</b>	<b>67,804.0</b>	<b>336,694.0</b>	<b>404,498.0</b>
<b>Balance at 30 June 2021</b>	<b>67,804.0</b>	<b>3,995,453.0</b>	<b>4,063,257.0</b>

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

**Statement of cash flows**

For the year ended 30 June 2021

Notes	2021 \$	2020 \$
<b>Cash flows from operating activities</b>		
Receipts from members and customers	3,720,254	2,889,215
Receipts from government stimulus funding	330,601	110,501
Payments to suppliers and employees	(3,163,152)	(2,421,928)
Interest received	1,803	5,361
Interest paid	(11,738)	(10,117)
<b>Net cash inflow (outflow) from operating activities</b>	<b>877,768</b>	<b>573,032</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(198,402)	(203,440)
Transfer to/from interest bearing deposit	(516)	(51,540)
<b>Net cash inflow (outflow) from investing activities</b>	<b>(198,918)</b>	<b>(254,980)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	60,647
Repayment of lease liabilities	(141,303)	(94,283)
Repayment of borrowings	(100,231)	(60,675)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(241,534)</b>	<b>(94,311)</b>
<b>Net increase in cash and cash equivalents</b>	<b>437,316</b>	<b>223,741</b>
Cash and cash equivalents at the beginning of the financial year	804,483	580,742
<b>Cash and cash equivalents at the end of the financial year</b>	<b>1,241,799</b>	<b>804,483</b>

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

## Notes to the financial statements

For the year ended 30 June 2021

### 1 Summary of significant accounting policies

#### (a) Basis of preparation

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

#### (b) Statement of compliance

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

The financial report has been prepared on an accruals basis and is based on historical costs, except for land and buildings which have been measured at fair value. The financial report is presented in Australian Dollars.

#### (c) Income Taxes

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

#### (d) Goods and Services Tax

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

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

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

#### (e) Rounding of amounts

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

**Notes to the financial statements**

For the year ended 30 June 2021

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

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

	Food and beverage revenue	Gaming revenue	Membership revenue	Raffle and bingo revenue	Bowling revenue	Other revenue	Total
	\$	\$	\$	\$	\$	\$	\$
2021							
Revenue from contracts with customers	584,254	2,352,251	14,134	327,802	5,220	104,951	3,388,612
Other revenue (not covered by AASB15)	-	17,180	-	-	-	-	17,180
	<u>584,254</u>	<u>2,369,431</u>	<u>14,134</u>	<u>327,802</u>	<u>5,220</u>	<u>104,951</u>	<u>3,405,792</u>

*Timing of revenue recognition*

At a point in time	584,254	2,352,251	-	327,802	5,220	104,951	3,374,478
Over time	-	17,180	14,134	-	-	-	31,314
	<u>584,254</u>	<u>2,369,431</u>	<u>14,134</u>	<u>327,802</u>	<u>5,220</u>	<u>104,951</u>	<u>3,405,792</u>

	Food and beverage revenue	Gaming revenue	Membership revenue	Raffle and bingo revenue	Bowling revenue	Other revenue	Total
	\$	\$	\$	\$	\$	\$	\$
2020							
Revenue from contracts with customers	592,237	1,701,338	11,942	191,981	11,562	96,756	2,605,816
Other revenue (not covered by AASB15)	-	17,180	-	-	-	-	17,180
	<u>592,237</u>	<u>1,718,518</u>	<u>11,942</u>	<u>191,981</u>	<u>11,562</u>	<u>96,756</u>	<u>2,622,996</u>

*Timing of revenue recognition*

At a point in time	592,237	1,701,338	-	191,981	11,562	96,756	2,593,874
Over time	-	17,180	11,942	-	-	-	29,122
	<u>592,237</u>	<u>1,718,518</u>	<u>11,942</u>	<u>191,981</u>	<u>11,562</u>	<u>96,756</u>	<u>2,622,996</u>

**(b) Accounting policies and significant judgements**

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

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

*(i) Sale of goods - food and beverage*

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

*(ii) Provision of services - gaming revenue*

Revenue from rendering services from gaming facilities to members and other patrons of the Club is recognised when the services are provided. Gaming revenue is measured at the fair value of the consideration received from the net position of the wagers placed less customer winnings paid out.

## Notes to the financial statements

For the year ended 30 June 2021

### (b) Accounting policies and significant judgements (continued)

(iii) *Provision of services - membership revenue*

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

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

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

(v) *Provision of services - bowls revenue*

Bowls revenue comprises revenue greens fees and competition fees and is recognised at a point in time when the game of bowls has been completed as at this point the performance obligations have been satisfied.

(vi) *Other revenue*

The Company recognises other revenue at a point in time when the performance obligation has been satisfied.

### 3 Other income and expense items

	2021	2020
	\$	\$
<b>(a) Other income</b>		
Economic government stimulus - jobkeeper	163,072	163,929
Economic government stimulus - cashflow boost	37,500	62,500
Economic government stimulus - other grants	4,100	10,000
Interest income	1,498	4,646
Insurance proceeds	-	75
	206,170	241,150

(i) *Government stimulus funding*

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

(ii) *Insurance proceeds*

The Club recognises income from insurance claims when an insured event has occurred and the realisation of the insurance recovery is virtually certain.

(iii) *Interest income*

Interest income is recognised on an accruals basis.

### (b) Other expenses

Employee benefits expense	1,055,585	942,616
Loss on disposal of Assets	1,583	4,857
Interest costs	11,738	10,117
Depreciation	356,898	351,908
Amortisation - right of use assets	126,051	90,364

**Notes to the financial statements**

For the year ended 30 June 2021

**4 Cash and cash equivalents**

	2021	2020
	\$	\$
<b>Current</b>		
Cash and cash equivalents	1,241,799	804,483
	<u>1,241,799</u>	<u>804,483</u>

As at 30 June 2021, the Club had \$75,000 in an used overdraft facility available.

**Accounting policy**

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

**5 Trade receivables**

<b>Current</b>		
Trade receivables	19,947	9,636
	<u>19,947</u>	<u>9,636</u>

**Accounting policy**

Trade receivables are recognised initially at the amount of the consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Club holds the trade receivables with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost. Trade receivables are generally due within 30 days from the date of recognition.

**6 Inventories**

<b>Current</b>		
Stock on hand - bar	29,480	20,746
Stock on hand - café	1,302	977
Stock on hand - other	8,433	450
	<u>39,215</u>	<u>22,173</u>

**Accounting policy**

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

**7 Financial assets at amortised cost**

<b>Current</b>		
Term deposits	68,925	68,409
Other receivables	16,467	142,537
Accrued interest	74	379
	<u>85,466</u>	<u>211,325</u>

**Accounting policy**

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

**8 Other assets**

<b>Current</b>		
Prepayments	59,888	52,235
	<u>59,888</u>	<u>52,235</u>

**Accounting policy**

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

**Notes to the financial statements**

For the year ended 30 June 2021

**9 Property, plant and equipment**

	Land and buildings	Plant and equipment	Poker machines	Capital WIP	Total
	\$	\$	\$	\$	\$
<b>Non-current assets</b>					
<b>At 1 July 2020</b>					
Cost	2,412,515	1,640,599	1,011,075	5,660	5,069,849
Accumulated depreciation	(295,319)	(933,071)	(762,026)	-	(1,990,416)
Net book amount	2,117,196	707,528	249,049	5,660	3,079,433
<b>Year ended 30 June 2021</b>					
Opening net book amount	2,117,196	707,528	249,049	5,660	3,079,433
Reallocation from Right-of-use assets	-	-	44,784	-	44,784
Revaluation reserve	67,804	-	-	-	67,804
Additions	-	132,627	50,935	9,590	193,152
Disposals	-	(505)	(1,078)	-	(1,583)
Depreciation charge	(107,071)	(158,263)	(91,565)	-	(356,899)
Closing net book amount	2,077,929	681,387	252,125	15,250	3,026,691
<b>At 30 June 2021</b>					
Cost	2,480,319	1,772,225	987,291	15,250	5,255,085
Accumulated depreciation	(402,390)	(1,090,838)	(735,166)	-	(2,228,394)
Net book amount	2,077,929	681,387	252,125	15,250	3,026,691

**Accounting policy****(a) Land and buildings**

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Freehold land and buildings were revalued on 16 October 2020 by a licensed professional valuer Karen Bates of Preston Rowe Paterson. Preston Rowe Paterson frequently assess the market values for properties similar to those held by the Club in the same areas, having regard to past sales prices of other properties and current market conditions.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the asset revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of gain on revaluation of land and buildings. All other decreases are charged to the statement of profit or loss and other comprehensive income.

As the revalued buildings are depreciated, the difference between depreciation recognised in the income statement, which is based on the revalued carrying amount of the asset, and the depreciation based on the assets original cost is transferred from the revaluation surplus to retained earnings.

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.

**(b) Plant and equipment**

Each class of plant and equipment is carried at cost less any accumulated depreciation and any impairment in value.

**(c) Depreciation**

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

Buildings	11 - 15 years
Plant & equipment	2.5 - 20 years
Poker machines	2.5 - 5 years

**(d) Impairment**

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

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

## 9 Property, plant and equipment (continued)

### (d) Impairment (continued)

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

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

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

## 10 Leases

The Club leases several poker machine assets.

### a) Right-of-use asset

#### Non-current

#### Right-of-use assets

2021	2020
\$	\$

460,129	304,144
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### Reconciliation of right-of-use assets

#### 2021

At 1 July 2020

Additions

Transfers

Amortisation

30 June 2021

Poker Machines	2021	2020
\$	\$	\$
304,144	304,144	243,508
326,820	326,820	151,000
(44,784)	(44,784)	-
(126,051)	(126,051)	(90,364)
<u>460,129</u>	<u>460,129</u>	<u>304,144</u>

### b) Lease liabilities

#### Current

Lease liabilities

#### Non-current

Lease liabilities

#### Total

173,140	173,140	130,515
255,198	255,198	112,306
<u>428,338</u>	<u>428,338</u>	<u>242,821</u>

### Reconciliation of lease liabilities

#### 2021

At 1 July 2020

Additions

Interest expense

Lease payments

Net movement during year

30 June 2021

Poker Machines	2021	
\$	\$	
242,821	242,821	186,104
326,820	326,820	151,000
6,141	6,141	3,157
(147,444)	(147,444)	(97,440)
<u>185,517</u>	<u>185,517</u>	<u>56,717</u>
<u>428,338</u>	<u>428,337</u>	<u>242,821</u>



**10 Leases (continued)**

**Accounting policy**

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

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

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

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

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

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Club's incremental borrowing rate. The weighted average incremental borrowing rate is 2.83%.

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

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

**Lessor**

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

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

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

**11 Trade and other payables**

	2021	2020
	\$	\$
<b>Current</b>		
Trade payables	168,929	230,654
GST payable	17,303	13,366
	186,232	244,020

**Accounting policy**

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

Singleton Bowling Club Co-Operative Limited  
**Notes to the financial statements**  
For the year ended 30 June 2021

**12 Financial liabilities**

	2021	2020
	\$	\$
<b>Current</b>		
Insurance loan - unsecured	-	44,107
Other loans - secured (i)	39,653	61,924
Total financial liabilities	<u>39,653</u>	<u>106,031</u>
<b>Non-current</b>		
Other loans - secured (i)	-	33,853
Total financial liabilities	<u>-</u>	<u>33,853</u>

(i) *Secured liabilities*

The other loans are secured by a fixed charge over the specific assets that are financed.

**Accounting policy**

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

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

**13 Provisions**

<b>Current</b>		
Employee entitlements (i) & (ii)	72,162	59,494
Jackpots (iii)	18,723	16,343
	<u>90,885</u>	<u>75,837</u>
<b>Non-current</b>		
Employee entitlements (ii)	26,734	19,725
	<u>26,734</u>	<u>19,725</u>

**Accounting policy**

(i) *Annual leave*

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

(ii) *Long service leave*

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

(iii) *Jackpots*

The provision for poker machine jackpot relates to the amounts payable in the event of players winning the jackpot on the poker machine as at 30 June 2021.

Singleton Bowling Club Co-Operative Limited  
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For the year ended 30 June 2021

<b>14 Other liabilities</b>	<b>2021</b>	<b>2020</b>
	\$	\$
<b>Current</b>		
Contract liabilities - membership income	7,520	6,008
Other liabilities	23,995	20,435
	<u>31,515</u>	<u>26,443</u>
<b>Non-current</b>		
Contract Liabilities - membership income	11,692	8,940
Other liabilities	54,829	67,000
	<u>66,521</u>	<u>75,940</u>

**Accounting policy**

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

<b>15 Reserves</b>	<b>Asset revaluation</b>	<b>Total</b>
	\$	\$
<b>Balance at 1 July 2020</b>	-	-
Revaluation of land and building	67,804	67,804
<b>Balance at 30 June 2021</b>	<u>67,804</u>	<u>67,804</u>

(i) *Nature and purpose of reserves*

*Asset revaluation*

The asset revaluation reserve is used to record increments and decrements on the revaluation of land and buildings classified as part of property, plant and equipment which are measured at fair value. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings.

<b>16 Commitments</b>	<b>2021</b>	<b>2020</b>
	\$	\$
(i) <i>Capital Commitments</i>		
Plant and equipment	-	93,108

**17 Contingent liabilities**

Bank guarantee substituting for a security deposit for TAB facilities	<u>5,000</u>	<u>5,000</u>
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**18 Related parties**

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

(a) *Key management personnel compensation*

Total key management personnel benefits	<u>141,055</u>	<u>140,818</u>
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## Notes to the financial statements

For the year ended 30 June 2021

### 19 Critical accounting estimates and judgements

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

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

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

- Estimation of useful lives of non-current assets (notes 9 and 10(a)) - The useful life of property, plant and equipment and right-of-use assets (where useful life is greater than the lease term) is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence. The useful life of poker machine entitlements classified as an intangible asset has been assessed as indefinite. There is uncertainty in relation to this assumption as it is based on current legislation and conditions attached to the entitlements. The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the statement of profit or loss and other comprehensive income should they change.
- Estimated fair value of land and buildings (note 9(a)) - The fair value of land and buildings is estimated at each reporting date, based on independent assessments of the market value of the property conducted at least every three years and other available knowledge of current market prices. Estimation uncertainty exists and is related to the various assumptions used in determining the fair value.

### 20 Subsequent events

In response to the COVID-19 pandemic, the NSW Government announced mandatory lockdowns from 5 August 2021 at 5pm. During this period the Club controlled costs where possible and was eligible for government assistance under the JobSaver program. As at the date of this report, the Club has since recommenced trading with some restrictions imposed, after the lockdown was lifted in the Singleton LGA from 16 September 2021.

## Directors' declaration

**In the Directors' opinion:**

- (a) the financial statements and notes set out on pages 7 to 20 are in accordance with the Co-operatives National Law (NSW), including:
- (i) comply with Australian Accounting Standards - Reduced Disclosure Requirements, and the Co-operatives National Regulations (NSW) 2014.
  - (ii) giving a true and fair view of the Club's financial position as at 30 June 2021 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

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



Kerry Hardy - Director



Ian Skilton - Director

Singleton, NSW  
29 September 2021

## **Independent auditor's report** **to the members of Singleton Bowling Club Co-Operative Limited**

### **Opinion**

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

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

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

### **Basis for opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report. We are independent of the Club in accordance with the auditor independence requirements of the Co-operatives National Law (NSW) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### **Responsibilities of the Directors for the financial report**

The Directors of the Club are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Co-operatives National Law (NSW) and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

### **Matters relating to the electronic presentation of the audited financial report**

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

Newcastle | Sydney

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## Independent auditor's report (continued)

### Auditor's responsibilities for the audit of the financial report

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

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

Kirsty Porteous - Partner

DFK Crosbie Partners  
Chartered Accountants

29 September 2021  
Newcastle West, NSW

Newcastle | Sydney

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