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HEXHAM BOWLING CLUB CO-OPERATIVE LIMITED  
ABN 51 951 016 993

Summary Financial Statements  
For the Year Ended  
31 March 2021

The financial statements and other specific disclosures have been derived from Hexham Bowling Club Co-Operative Limited's (the Club's) full financial statements for the financial year. Other information included in the Summary Financial Statements is consistent with the Club's full financial statements.

The Summary Financial Statements do not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Club as the full financial statements.

A copy of the Club's 2021 full financial statements, including the independent audit report, is available to all members and will be sent to members without charge upon request.

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# Hexham Bowling Club Co-Operative Limited

ABN 51 951 016 993

## Directors' Report

31 March 2021

Your Directors present their report on Hexham Bowling Club Co-Operative Limited for the financial year ended 31 March 2021.

### Directors

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

Name	Position	Occupation	Years Service
Leslie Carter	Chairman	Retired Assistant Principal	9
Alfred Smith	Vice Chairman	Retired	13
John Appleby	Director	Retired	8
Michelle McMichael	Director	Company Director	7
Alan Mitchell	Director	Retired	17
Harry Lee	Director	Retired Market Director	3
Michael Cummings	Director	Truck Driver	2

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

### Club secretary

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

J. Crowe who is also the General Manager of the Club and has held the position of Club secretary for 3 years.

### Principal activities

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

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

### Operating results

The Club reported an operating profit before depreciation of \$354,464 (2020: a profit of \$ 358,073).

The net result of operations after depreciation was a loss of \$ 367,374 (2020: a loss of \$ 389,724)

# Hexham Bowling Club Co-Operative Limited

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## Directors' Report

31 March 2021

### Review of operations

Gross profit from bar trading amounted to \$425,862 and gross profit percentage of 61.54% was obtained from sales of \$692,024.

Net gaming revenue amounted to \$2,236,395 and compares with \$2,766,098 in 2020.

The following table outlines the Club's profit after the add back of depreciation and also shows the Club's EBITDA performance as a percentage of revenue.

	2021 \$	2020 \$
Reported operating profit / (loss) after tax	(367,374)	(389,724)
Add back: depreciation and amortisation	721,838	747,797
<b>Operating profit / (loss) before depreciation</b>	<b>354,464</b>	<b>358,073</b>
Add back: (profit) / loss on sale of non-current assets	17,918	-
Less: interest received	(7,084)	(10,319)
Add back: borrowing costs	6,851	5,652
Add back: revaluation of investment properties	-	(50,000)
<b>EBITDA</b>	<b>372,149</b>	<b>303,406</b>
<b>Total Revenue</b>	<b>3,946,355</b>	<b>4,564,452</b>
<b>EBITDA % of Revenue</b>	<b>9.43%</b>	<b>6.65%</b>

### Meetings of Directors

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

	Directors' Meetings	
	Number eligible to attend	Number attended
Leslie Carter	12	12
Alfred Smith	12	10
John Appleby	12	10
Michelle McMichael	12	9
Alan Mitchell	12	12
Harry Lee	12	9
Michael Cummings	12	9

### Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Club during the year apart from:

On 23 March 2020 as a response to the management of the COVID-19 pandemic, the Club was directed to close. The Club re-opened on 15 June 2020 subject to social distancing. Refer to Note 1(b) in the Financial Statements for further information regarding the impacts of the closure.

# Hexham Bowling Club Co-Operative Limited

ABN 51 951 016 993

## Directors' Report

31 March 2021

### After balance date events

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

### Environmental issues

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

### Disclosure of Core and Non-Core Property

Pursuant to Section 41J(2) of the Registered Clubs Act 1976 and for the financial year ended 31 March 2021, the Directors have determined that the property of the Club shall be classified as follows:

Address	Current Usage	Classification
53-61 Beach Street, HARRINGTON NSW 2427	Rental properties	Non Core
8 Latham Avenue, HARRINGTON NSW 2427	Rental properties	Non Core
55 Maitland Road, HEXHAM NSW 2322	Vacant lot	Non Core
Old Maitland Road, HEXHAM NSW 2322	Club Building and Car Park	Core

### Auditors independence declaration

The lead auditors independence declaration for the year ended 31 March 2021 has been received and can be found on page 5 of the financial report.

### Mandatory Director Training

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

All Directors on the Board have completed the mandatory training requirements.

### Indemnification and insurance of officers

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

# Hexham Bowling Club Co-Operative Limited

ABN 51 951 016 993

## Directors' Report

31 March 2021

### Proceedings on behalf of the Club

No Director has applied for leave of court to bring proceedings on behalf of the Club or intervene in any proceedings to which the Club is a party for the purpose of taking responsibility on behalf of the Club for all or any part of those proceedings.

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



Director: .....



Director: .....

Dated 18 May 2021

# Hexham Bowling Club Co-Operative Limited

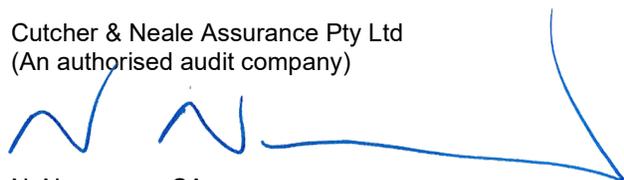
ABN 51 951 016 993

## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Hexham Bowling Club Co-Operative Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2021, 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.

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



N. Nancarrow CA  
Director

NEWCASTLE

11 May 2021

# Hexham Bowling Club Co-Operative Limited

ABN 51 951 016 993

## Independent Audit Report to the members of Hexham Bowling Club Co-Operative Limited

### Report on the Audit of the Financial Report

#### *Opinion*

The summary financial statements, which comprise the summary statement of financial position as at 31 March 2021, the summary statement of profit or loss and other comprehensive income, the summary statement of changes in equity, the summary statement of cash flows, discussion and analysis of the financial statement and the Directors Declaration for the year then ended, and related notes, are derived from the audited financial report of Hexham Bowling Club Co-Operative Limited for the year ended 31 March 2021.

In our opinion, the accompanying summary financial statements are consistent, in all material respects with the audited financial statements, on the basis described in Note 1.

#### *Emphasis of Matter*

We draw attention to Note 1(b) in the financial statements, which discusses the impact of COVID-19 on the Club's operations and finances and acknowledges the closure of the Club on 23 March 2020 to 15 June 2020. Our opinion is not modified in respect of this matter.

#### *Summary Financial Statements*

The summary financial statements do not contain all the disclosures required by Australian Accounting Standards – Reduced Disclosure Requirements. Reading of the summary financial statements and the auditor's report thereon, therefore, is not a substituted for reading the audited financial statements and auditor's report thereon.

#### *The Audited Financial Report and Our Report Thereon*

We expressed an unmodified audit opinion on the audited financial report in our report dated 27 May 2021.

#### *Directors' Responsibility for the Summary Financial Statements*

The Directors are responsible for the preparation of the summary financial statements on the basis described in Note 1.

# Hexham Bowling Club Co-Operative Limited

ABN 51 951 016 993

## Independent Audit Report to the members of Hexham Bowling Club Co-Operative Limited

### *Auditor's Responsibility*

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial report based on our procedures, which are conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

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



N. Nancarrow CA  
Director

NEWCASTLE

19 May 2021

# Hexham Bowling Club Co-Operative Limited

ABN 51 951 016 993

## Directors' Declaration

The Directors of Hexham Bowling Club Co-Operative Limited declare that the summary financial statements of Hexham Bowling Club Co-Operative Limited for the financial year ended 31 March 2021, as set out in pages 9 to 16:

- a. comply with Australian Accounting Standards as described in Note 1; and
- b. have been derived from and are consistent with the full financial statements of Hexham Bowling Club Co-Operative Limited.

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



Director .....



Director .....

Dated 18 May 2021

# Hexham Bowling Club Co-Operative Limited

ABN 51 951 016 993

## Summary Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 March 2021

	2021	2020
Note	\$	\$
Bar sales	692,024	966,503
Less: Bar cost of goods sold	<u>(266,162)</u>	<u>(357,084)</u>
	425,862	609,419
Catering sales	92,598	160,023
Less: Catering cost of goods sold	<u>(56,694)</u>	<u>(92,056)</u>
	35,904	67,967
Gross profit	461,766	677,386
Gaming machine net clearances	2,236,395	2,766,098
Tab and keno commissions	56,581	86,862
Raffles and bingo income	128,534	264,000
Bowls income	14,252	17,504
Wedding income	33,884	4,279
Other revenue from contracts with customers	2 28,231	24,419
Other revenue from ordinary activities	2 197,106	224,764
Other revenue from non-ordinary activities	2 466,750	50,000
Bar trading expenses	<u>(274,673)</u>	<u>(371,200)</u>
Catering trading expenses	<u>(81,040)</u>	<u>(105,017)</u>
Raffle and bingo expenses	<u>(150,419)</u>	<u>(307,643)</u>
Gaming machines expenses	<u>(671,520)</u>	<u>(842,300)</u>
Tab and keno expenses	<u>(40,082)</u>	<u>(64,059)</u>
Occupancy expenses	<u>(646,570)</u>	<u>(639,748)</u>
Bowls expenses	<u>(95,980)</u>	<u>(111,479)</u>
Club promotion and entertainment expenses	<u>(344,697)</u>	<u>(481,470)</u>
Depreciation and amortisation expenses	<u>(721,838)</u>	<u>(747,797)</u>
Administrative expenses	<u>(870,059)</u>	<u>(770,558)</u>
Rental property expenses	<u>(54,469)</u>	<u>(53,934)</u>
Loss on disposal of assets	<u>(17,918)</u>	-
Interest paid	<u>(6,851)</u>	<u>(5,652)</u>
Wedding expenses	<u>(14,757)</u>	<u>(4,179)</u>
<b>Profit / (loss) before income tax</b>	<b><u>(367,374)</u></b>	<b><u>(389,724)</u></b>
Income tax expense	-	-
<b>Profit / (loss) after income tax</b>	<b><u>(367,374)</u></b>	<b><u>(389,724)</u></b>
<b>Other comprehensive income</b>	-	-
<b>Total other comprehensive income</b>	-	-
<b>Total comprehensive income / (loss)</b>	<b><u>(367,374)</u></b>	<b><u>(389,724)</u></b>

The accompanying notes form part of these financial statements.

# Hexham Bowling Club Co-Operative Limited

ABN 51 951 016 993

## Summary Statement of Financial Position

As at 31 March 2021

	2021	2020
	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	1,259,184	1,061,706
Trade and other receivables	5,887	11,878
Inventories	28,664	31,296
Other current assets	79,034	63,474
<b>TOTAL CURRENT ASSETS</b>	<b>1,372,769</b>	<b>1,168,354</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	3,183,309	3,706,695
Investment property	2,135,000	2,135,000
Intangible assets	71,495	71,495
Right of use asset	34,847	44,571
<b>TOTAL NON-CURRENT ASSETS</b>	<b>5,424,651</b>	<b>5,957,761</b>
<b>TOTAL ASSETS</b>	<b>6,797,420</b>	<b>7,126,115</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	441,071	440,416
Short-term borrowings	37,926	35,112
Short-term provisions	144,422	88,500
Lease liabilities	9,501	9,152
<b>TOTAL CURRENT LIABILITIES</b>	<b>632,920</b>	<b>573,180</b>
<b>NON-CURRENT LIABILITIES</b>		
Trade and other payables	11,646	11,855
Long-term provisions	13,820	25,171
Lease liabilities	26,257	35,758
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>51,723</b>	<b>72,784</b>
<b>TOTAL LIABILITIES</b>	<b>684,643</b>	<b>645,964</b>
<b>NET ASSETS</b>	<b>6,112,777</b>	<b>6,480,151</b>
<b>EQUITY</b>		
Retained earnings	6,112,777	6,480,151
<b>TOTAL EQUITY</b>	<b>6,112,777</b>	<b>6,480,151</b>

The accompanying notes form part of these financial statements.

# Hexham Bowling Club Co-Operative Limited

ABN 51 951 016 993

## Summary Statement of Changes in Equity For the Year Ended 31 March 2021

### 2021

	Retained Earnings	Reserves	Total
	\$	\$	\$
<b>Balance at 1 April 2020</b>	<b>6,480,151</b>	-	<b>6,480,151</b>
Profit / (loss) attributable to members	(367,374)	-	(367,374)
Transfers from general reserves to retained earnings	-	-	-
<b>Balance at 31 March 2021</b>	<b>6,112,777</b>	-	<b>6,112,777</b>

### 2020

	Retained Earnings	Reserves	Total
	\$	\$	\$
<b>Balance at 1 April 2019</b>	6,596,152	273,723	6,869,875
Profit / (loss) attributable to members	(389,724)	-	(389,724)
Transfers from general reserves to retained earnings	273,723	(273,723)	-
<b>Balance at 31 March 2020</b>	<b>6,480,151</b>	-	<b>6,480,151</b>

The accompanying notes form part of these financial statements.

# Hexham Bowling Club Co-Operative Limited

ABN 51 951 016 993

## Summary Statement of Cash Flows For the Year Ended 31 March 2021

	2021	2020
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	3,836,645	4,915,912
Payments to suppliers and employees	(3,892,391)	(4,503,065)
Interest received	7,084	10,319
Borrowing costs	(6,851)	(5,652)
Federal Government – JobKeeper	366,750	-
Federal Government – Cashflow Boost	100,000	-
Net cash provided by / (used in) operating activities	<u>411,237</u>	<u>417,514</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	12,272	-
Purchase of property, plant and equipment	(219,692)	(321,977)
Net cash provided by / (used in) investing activities	<u>(207,420)</u>	<u>(321,977)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	94,815	87,655
Repayment of borrowings	(92,001)	(87,497)
Repayment of lease liabilities	(9,153)	(3,713)
Net cash provided by / (used in) financing activities	<u>(6,339)</u>	<u>(3,555)</u>
Net increase (decrease) in cash and cash equivalents held	197,478	91,982
Cash and cash equivalents at beginning of year	<u>1,061,706</u>	<u>969,724</u>
Cash and cash equivalents at end of financial year	<u><u>1,259,184</u></u>	<u><u>1,061,706</u></u>

The accompanying notes form part of these financial statements.

# Hexham Bowling Club Co-Operative Limited

ABN 51 951 016 993

## Notes to the Summary Financial Statements For the Year Ended 31 March 2021

### 1 Summary of Significant Accounting Policies

#### (a) Basis of preparation

The summary financial statements have been prepared from the audited financial statements of Hexham Bowling Club Co-Operative Limited for the year ended 31 March 2021. The audited report for the year ended 31 March 2021 is available at request from Hexham Bowling Club Co-Operative Limited.

The financial statements, specific disclosures and the other information included in the summary financial statements are derived from and are consistent with the full financial statements of Hexham Bowling Club Co-Operative Limited. The summary financial statements cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Hexham Bowling Club Co-Operative Limited as the full financial statements.

The accounting policies have been consistently applied to Hexham Bowling Club Co-Operative Limited and are consistent with those of the financial year in the entirety.

The presentation currency used in the financial statements is Australian dollars.

There have been no changes to the accounting policies of the Club from last year

#### (b) Significant changes in the current report period

##### *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 Club re-opened on 15 June 2020 subject to social distancing measures.

The Board and Management 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.

# Hexham Bowling Club Co-Operative Limited

ABN 51 951 016 993

## Notes to the Summary Financial Statements For the Year Ended 31 March 2021

### (b) Significant changes in the current report period

- All permanent and part time staff could choose to access their annual leave and long service leave entitlements whilst the Club was closed. Most casual staff were stood down.
- Finance staff were retained and other staff were retained to perform other duties including cleaning and painting.
- Employed 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 the time. Management suspended and / or reduced contracts and supplier payments where possible.
- The Club has complied with social distancing measures on re-opening, including implementing a COVID-19 safety plan, hygiene marshalls rostered and Service NSW electronic check-in for patrons.

## 2 Revenue

	2021	2020
	\$	\$
Operating activities		
- Revenue - trading	3,254,268	4,265,269
Other Revenue from contracts with customers		
- Membership Subscriptions	28,231	24,419
<b>Total revenue from contract with customers</b>	<b>3,282,499</b>	<b>4,289,688</b>
Other Revenue from Ordinary Activities		
- Interest Received	7,084	10,319
- Rebate for GST on gaming machine duty	17,180	17,180
- Room and equipment hire	18,066	16,932
- Other income	33,504	45,311
- Rent Received	121,272	135,022
<b>Total other revenue from ordinary activities</b>	<b>197,106</b>	<b>224,764</b>
Other revenue from non-ordinary activities		
- Federal Government JobKeeper Income	366,750	-
- Federal Government Cashflow Boost	100,000	-
- Revaluation of Investment Properties	-	50,000
<b>Total other revenue from non-ordinary activities</b>	<b>466,750</b>	<b>50,000</b>
<b>Total Revenue</b>	<b>3,946,355</b>	<b>4,564,452</b>

# Hexham Bowling Club Co-Operative Limited

ABN 51 951 016 993

## Discussion and Analysis of the Summary Financial Statements For the Year Ended 31 March 2021

### Information on Hexham Bowling Club Co-Operative Limited Summary Financial Statements

The financial statements, disclosures and discussion and analysis in the summary financial statements have been derived from the 31 March 2021 financial statements of Hexham Bowling Club Co-Operative Limited.

A copy of the full financial statements and auditors report will be sent to any member, free of charge, upon request. The summary financial statements cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Club as the full financial statements.

The discussion and analysis is provided to assist members in understanding the summary financial statements.

### Summary Statement of Profit or Loss and Other Comprehensive Income

The loss from ordinary activities attributable to members for the year was \$367,374. The result has improved by \$22,350 compared to a loss of \$389,724 in 2020.

The Club was impacted by COVID-19 over the course of the year with the Club closing the doors on 23 March 2020. The Club re-opened 15 June 2020. The Club continues to recover from the closure and social distancing measures remain in place.

### Revenue

Total revenue has decreased by \$618,097 or 13.54% compared to 2020. The current year results include the COVID-19 period, so it does make it difficult to compare to prior year results.

The current year result includes \$100,000 for Cashflow Boost and \$366,750 for JobKeeper.

### Expenditure

Total expenditure has decreased \$590,447 or 12% compared to 2020. The most notable comparison relates to administration expenses increasing \$96,527, due to JobKeeper top up payments. All other expense categories are consistent or down on the prior year.

An important key performance indicator for Clubs is EBITDA as a percentage of revenue. This year the Club has reported a percentage of 9.43% compared to 6.65% in 2020.

# Hexham Bowling Club Co-Operative Limited

ABN 51 951 016 993

## Discussion and Analysis of the Summary Financial Statements For the Year Ended 31 March 2021

### Summary Statement of Financial Position

The main changes in assets and liabilities include:

#### Assets

Total assets decreased by \$328,695 to \$6,797,420 representing a decrease of 4.61%. This decrease is mainly attributable to the decrease in the written down value of property, plant and equipment with additions of \$219,692 offset by depreciation of \$712,114.

The cash position of the Club also increased \$197,478 in 2021.

All other assets have remained relatively comparable to the previous year balances.

#### Liabilities

Total liabilities increased by \$38,679 to \$684,643 representing an increase of 5.99%.

Employee benefits have increased \$44,571, with a reduction in annual leave taken throughout the year due to COVID-19 and increase in long service leave (entitlement after 10 years).

All other liabilities have remained relatively comparable to the previous year balances.

### Summary Statement of Changes in Equity

The equity of the Club has decreased by the reported loss result for the year.

### Summary Statement of Cash flows

The Club's cash position has increased during the year by \$197,478. The main changes in cash flows include:

- Operating cash inflows have decreased slightly compared with the prior year.
- Investing cash outflows relate to capital expenditure in 2021 and is significantly down on last years capital spend.
- Financing cash outflows in 2021 consist of finance and repayment of insurance liabilities and lease liabilities.