

# HEXHAM BOWLING CLUB CO-OPERATIVE LIMITED

ABN 51 951 016 993

Summary Financial Report  
For the Year Ended  
31 March 2023

## CONTENTS

Directors' Report.....	1
Auditor's Independence Declaration.....	5
Independent Audit Report.....	6
Directors' Declaration.....	8
Summary Statement of Profit or Loss and Other Comprehensive Income.....	9
Summary Statement of Financial Position.....	10
Summary Statement of Changes in Equity.....	11
Summary Statement of Cash Flows.....	12
Notes to the Summary Financial Statements.....	13
Discussion and Analysis of the Summary Financial Statements.....	15

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 2023 full financial statements, including the independent audit report, is available to all members and will be sent to members without charge upon request.

# Hexham Bowling Club Co-Operative Limited

ABN 51 951 016 993

## Directors' Report

31 March 2023

Your Directors present their report on Hexham Bowling Club Co-Operative Limited for the financial year ended 31 March 2023.

### 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	11
Alfred Smith	Vice Chairman	Retired	15
John Appleby	Director	Retired	10
Alan Mitchell	Director	Retired	19
Harry Lee	Director	Retired Market Director	5
Glen Hetherington	Director	Corrections Officer	2
Dorothy Povey (elected 31/07/2022)	Director	Nurse	1
Michael Cummings (resigned 31/07/2022)	Director	Storeman	3

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 5 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 \$728,183 (2022: a profit of \$335,317).

The net result of operations after depreciation was a profit of \$ 63,327 (2022: a loss of \$345,184)

# Hexham Bowling Club Co-Operative Limited

ABN 51 951 016 993

## Directors' Report

31 March 2023

### Review of operations

Gross profit from bar trading amounted to \$693,727 and gross profit percentage of 60.12% was obtained from sales of \$1,153,815.

Net gaming revenue amounted to \$2,791,881 and compares with \$2,132,424 in 2022.

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.

	2023 \$	2022 \$
Reported operating profit / (loss) after tax	63,327	(345,184)
Add back: depreciation and amortisation	664,856	680,501
<b>Operating profit / (loss) before depreciation</b>	<b>728,183</b>	<b>335,317</b>
Add back: (profit) / loss on sale of non-current assets	-	1,721
Less: interest received	(14,343)	(8,545)
Add back: borrowing costs	7,386	6,618
Add back: revaluation of investment properties	(225,000)	(50,000)
<b>EBITDA</b>	<b>496,226</b>	<b>285,111</b>
<b>Total Revenue</b>	<b>4,998,685</b>	<b>3,632,652</b>
<b>EBITDA % of Revenue</b>	<b>9.93%</b>	<b>7.85%</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	12
John Appleby	12	12
Alan Mitchell	12	10
Harry Lee	12	8
Glenn Hetherington	12	10
Dorothy Povey (elected 31/07/2022)	8	7
Michael Cummings (resigned 31/07/2022)	4	1

### Significant changes in state of affairs

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

# Hexham Bowling Club Co-Operative Limited

ABN 51 951 016 993

## Directors' Report

31 March 2023

### 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 2023, 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 2023 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 2023

### 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 24 May 2023

# 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 2023, 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 Limited  
(An authorised audit company)



N. Nancarrow CA  
Director

NEWCASTLE

17 May 2023

# 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 2023, 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 2023.

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(c) in the financial statements, which discusses the impact of COVID-19 on the Club's operations and finances. 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 – Simplified Disclosures*. 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 24 May 2023.

#### *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

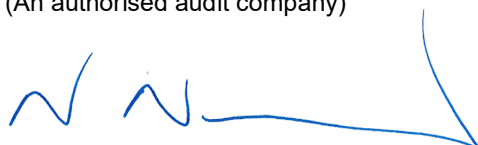
Independent Audit Report to the members of Hexham Bowling Club Co-Operative Limited

## Report on the Audit of the Financial Report

### *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

24 May 2023

# Hexham Bowling Club Co-Operative Limited

ABN 51 951 016 993

## Directors' Declaration

The Directors of the Club declare that:

1. The financial statements and notes, as set out on pages 9 to 16, are in accordance with the *Co-operatives National Law (NSW)* and the *Co-operatives National Regulations (NSW)* and:
  - a. comply with *Australian Accounting Standards - Simplified Disclosures*; and
  - b. give a true and fair view of the financial position as at 31 March 2023 and of the performance for the year ended on that date of the Club.
2. There are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

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



Director .....



Director .....

Dated 24 May 2023

# 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 2023

	2023	2022
Note	\$	\$
Bar sales	1,153,815	753,912
Less: Bar cost of goods sold	<u>(460,088)</u>	<u>(304,276)</u>
	<b>693,727</b>	<b>449,636</b>
Catering sales	177,310	108,164
Less: Catering cost of goods sold	<u>(87,532)</u>	<u>(56,490)</u>
	<b>89,778</b>	<b>51,674</b>
Gross profit	<b>783,505</b>	<b>501,310</b>
Gaming machine net clearances	2,791,881	2,132,424
Tab and keno commissions	111,007	70,580
Raffles income	216,520	134,573
Bowls income	2,285	8,368
Wedding income	34,661	13,786
Other revenue from contracts with customers	2 32,441	28,536
Other revenue from ordinary activities	2 253,765	199,655
Other revenue from non-ordinary activities	2 225,000	182,654
Bar trading expenses	<u>(376,436)</u>	<u>(252,314)</u>
Catering trading expenses	<u>(116,449)</u>	<u>(95,895)</u>
Raffle and bingo expenses	<u>(197,432)</u>	<u>(139,953)</u>
Gaming machines expenses	<u>(859,057)</u>	<u>(606,280)</u>
Tab and keno expenses	<u>(56,061)</u>	<u>(46,073)</u>
Occupancy expenses	<u>(678,344)</u>	<u>(495,236)</u>
Bowls expenses	<u>(82,326)</u>	<u>(80,701)</u>
Club promotion and entertainment expenses	<u>(297,801)</u>	<u>(251,789)</u>
Depreciation and amortisation expenses	<u>(664,856)</u>	<u>(680,501)</u>
Administrative expenses	<u>(944,587)</u>	<u>(884,062)</u>
Rental property expenses	<u>(82,258)</u>	<u>(65,930)</u>
Loss on disposal of assets	-	(1,721)
Interest paid	<u>(7,386)</u>	<u>(6,618)</u>
Wedding expenses	<u>(24,745)</u>	<u>(9,997)</u>
<b>Profit / (loss) before income tax</b>	<b>63,327</b>	<b>(345,184)</b>
Income tax expense	-	-
<b>Profit / (loss) after income tax</b>	<b>63,327</b>	<b>(345,184)</b>
<b>Other comprehensive income</b>	-	-
<b>Total other comprehensive income</b>	-	-
<b>Total comprehensive income / (loss)</b>	<b>63,327</b>	<b>(345,184)</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 2023

	2023	2022
	\$	\$
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	1,496,895	1,434,576
Trade and other receivables	28,826	5,959
Inventories	37,734	35,925
Other current assets	90,178	74,440
TOTAL CURRENT ASSETS	<u>1,653,633</u>	<u>1,550,900</u>
NON-CURRENT ASSETS		
Property, plant and equipment	2,516,206	2,727,727
Investment property	2,410,000	2,185,000
Intangible assets	71,495	71,495
Right of use asset	15,398	25,122
TOTAL NON-CURRENT ASSETS	<u>5,013,099</u>	<u>5,009,344</u>
TOTAL ASSETS	<u><u>6,666,732</u></u>	<u><u>6,560,244</u></u>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Trade and other payables	552,798	483,864
Short-term borrowings	44,940	40,120
Short-term provisions	136,549	170,354
Lease liabilities	10,240	9,864
TOTAL CURRENT LIABILITIES	<u>744,527</u>	<u>704,202</u>
NON-CURRENT LIABILITIES		
Trade and other payables	18,569	14,972
Long-term provisions	32,690	23,211
Lease liabilities	6,153	16,393
TOTAL NON-CURRENT LIABILITIES	<u>57,412</u>	<u>54,576</u>
TOTAL LIABILITIES	<u>801,939</u>	<u>758,778</u>
NET ASSETS	<u><u>5,864,793</u></u>	<u><u>5,801,466</u></u>
<b>EQUITY</b>		
Retained earnings	<u>5,864,793</u>	5,801,466
TOTAL EQUITY	<u><u>5,864,793</u></u>	<u><u>5,801,466</u></u>

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 2023

### 2023

	Retained Earnings	Total
	\$	\$
<b>Balance at 1 April 2022</b>	<b>5,801,466</b>	<b>5,801,466</b>
Profit / (loss) attributable to members	<b>63,327</b>	<b>63,327</b>
<b>Balance at 31 March 2023</b>	<b>5,864,793</b>	<b>5,864,793</b>

### 2022

	Retained Earnings	Total
	\$	\$
<b>Balance at 1 April 2021</b>	6,112,777	6,112,777
Profit / (loss) attributable to members	(345,184)	(345,184)
Subsidiary Club Bank Account Balance at 31 March 2021	33,873	33,873
<b>Balance at 31 March 2022</b>	<b>5,801,466</b>	<b>5,801,466</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 2023

	2023	2022
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	5,414,597	3,851,639
Payments to suppliers and employees	(4,910,580)	(3,586,605)
Interest received	14,343	8,545
Borrowing costs	(7,386)	(6,618)
State Government - JobSaver	-	132,654
Net cash provided by / (used in) operating activities	<u>510,974</u>	<u>399,615</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	<u>(443,611)</u>	<u>(216,916)</u>
Net cash provided by / (used in) investing activities	<u>(443,611)</u>	<u>(216,916)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	112,350	100,300
Repayment of borrowings	(107,530)	(98,106)
Repayment of lease liabilities	(9,864)	(9,501)
Net cash provided by / (used in) financing activities	<u>(5,044)</u>	<u>(7,307)</u>
Net increase (decrease) in cash and cash equivalents held	62,319	175,392
Cash and cash equivalents at beginning of year	<u>1,434,576</u>	<u>1,259,184</u>
Cash and cash equivalents at end of financial year	<u>1,496,895</u>	<u>1,434,576</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 2023

### 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 2023. The audited report for the year ended 31 March 2023 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) Subsidiary Clubs

In accordance with the Hexham Bowling Club Co-Operative Limited by-law the Board may form, terminate, control and regulate the Club's subsidiary Clubs. The Subsidiary Clubs bank account balances have been recognised in the financial statements.

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

##### *Impact of COVID-19 on Club Operations*

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

In the prior year the Club was forced to close from 5pm on 5 August 2021 by the NSW Government due to the escalating transmission of COVID-19 within NSW regional areas. The closure was imposed in a state wide lockdown to restrict the spread of the virus. The Club was not able to trade during this closure period. The Club re-opened on 11 October 2021 (closure period was 66 days). The Club has complied with COVID-19 and safety and social distancing measures outlined by authorities since re-opening.

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

- 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 2023

- 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 JobSaver 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.

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

The Club continues to monitor and adhere to NSW Government guidelines and review cashflows during the latest Omicron variant spread from mid December 2021. At the date of signing the 2023 financial report, no further closures of the Club have occurred since 11 October 2021.

## 2 Revenue

	2023	2022
	\$	\$
Operating activities		
- Revenue - trading	4,487,479	3,221,807
Other Revenue from contracts with customers		
- Membership Subscriptions	32,441	28,536
<b>Total revenue from contract with customers</b>	<b>4,519,920</b>	<b>3,250,343</b>
Other Revenue from Ordinary Activities		
- Interest Received	14,343	8,545
- Rebate for GST on gaming machine duty	17,180	17,180
- Room and equipment hire	22,391	13,172
- Other income	41,366	25,063
- Rent Received	158,485	135,695
<b>Total other revenue from ordinary activities</b>	<b>253,765</b>	<b>199,655</b>
Other revenue from non-ordinary activities		
- State Government JobSaver Income	-	132,654
- Designated as at fair value through income	225,000	50,000
<b>Total other revenue from non-ordinary activities</b>	<b>225,000</b>	<b>182,654</b>
<b>Total Revenue</b>	<b>4,998,685</b>	<b>3,632,652</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 2023

### 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 2023 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 profit from ordinary activities attributable to members for the year was \$63,327. The result has improved by \$408,511 compared to a loss of \$345,184 in 2022. The investment properties have been revalued at 31 March 2023 with a revaluation increment recognised in the profit and loss for \$225,000, excluding this the Club would have reported a loss of \$161,673 and improvement of \$183,511.

It is noted that the Club's financial results and operations were impacted by COVID-19 in 2022 with the Club forced to close from 5 August 2021 and re-opened on 11 October 2021 (closure period was 66 days). The Club was also impacted by omicron variant of COVID-19 in December 2021 and January 2022.

### Revenue

Total revenue has increased by \$1,366,033 or 37.60% compared to 2022. Bar sales are up \$399,903 and gaming machine clearances are up \$659,457.

The prior year result includes \$132,654 for the State Government JobSaver.

### Expenditure

Total expenditure has increased \$957,522 or 24.07% compared to 2022 in line with increased trade.

An important key performance indicator for Clubs is EBITDA as a percentage of revenue. This year the Club has reported a percentage of 9.93% compared to 7.85% in 2022.

# 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 2023

### Summary Statement of Financial Position

The main changes in assets and liabilities include:

#### Assets

Total assets increased by \$106,488 to \$6,666,732 representing an increase of 1.62%. This increase is mainly attributable to the increase in the cash position of the Club of \$62,319 and an increase in fair value of investment properties of \$225,000. Offset by the decrease in property, plant and equipment of \$211,521 with depreciation of \$655,132 and additions of \$443,611.

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

#### Liabilities

Total liabilities increased by \$43,161 to \$801,939 representing an increase of 5.69%.

Trade and other payables have increased \$68,934 due to increase in trade creditors \$111,268 (gaming machines \$66,000) offset by decrease in gaming machine duty \$78,756.

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

### Summary Statement of Changes in Equity

The equity of the Club has increased by the reported profit result for the year.

### Summary Statement of Cash flows

The Club's cash position has increased during the year by \$62,319. The main changes in cash flows include:

- Operating cash inflows have increased compared to the prior year due to an improved operating result.
- Investing cashflows in 2023 are represented by capital purchases with the main purchases being the wastewater plant, gaming machine changeovers and new fencing.
- Financing cash outflows in 2023 consist of finance and repayment of insurance liabilities and lease liabilities.