

Coonamble Bowling Club Limited

ABN: 99 000 972 172

Financial Statements

For the Year Ended 31 May 2020

Coonamble Bowling Club Limited

ABN: 99 000 972 172

Contents

For the Year Ended 31 May 2020

	Page
Financial Statements	
Directors' Report	1
Auditor's Independence Declaration	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	25
Independent Audit Report	26
Disclaimer	29
Detailed Profit and Loss Statement	30
Bar Detailed Trading Profit and Loss Statement	32
Poker Machine Detailed Trading Profit and Loss Statement	33
Catering Detailed Trading Profit and Loss Statement	34

Coonamble Bowling Club Limited

ABN: 99 000 972 172

Directors' Report 31 May 2020

The directors present their report on Coonamble Bowling Club Limited for the financial year ended 31 May 2020.

1. General information

Directors

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

Names	Position	Appointed/Resigned
Steven Butler	Chairman	
Peter Mayoh	Deputy Chairman	
Allan Albert	Junior Deputy Chairman	Appointed 11 August 2019
Alan Dodd	Treasurer	
Judy Baker		
Dennis Firth		
Michael Fletcher		
Terry Jurgens		
Daryl Craig		Appointed 11 August 2019
Noel Hodgson		Resigned 11 August 2019
Robyn Penman		Resigned 11 August 2019
Henry Robinson		Resigned 11 August 2019

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

Information on directors

Peter Mayoh	Deputy Chairman
Occupation	Retired

Michael Fletcher	
Occupation	Retired

Alan Dodd	Treasurer
Occupation	Business owner

Dennis Firth	
Occupation	Retired

Steven Butler	Chairman
Occupation	Business owner

Terry Jurgens	
Occupation	Retired

Allan Albert	Junior Deputy Chairman
Occupation	Retired

Coonamble Bowling Club Limited

ABN: 99 000 972 172

Directors' Report

31 May 2020

1. General information (continued)

Information on directors (continued)

Daryl Craig
Occupation Butcher

Judy Baker
Occupation Retired

During the financial year, 8 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Noel Hodgson	2	2
Peter Mayoh	7	8
Michael Fletcher	6	8
Alan Dodd	8	8
Dennis Firth	7	8
Steven Butler	6	8
Robyn Penman	1	2
Terry Jurgens	7	8
Henry Robinson	1	2
Allan Albert	6	6
Daryl Craig	6	6
Judy Baker	6	8

Principal activities

The principal activity of Coonamble Bowling Club Limited during the financial year were to provide members and their guests with the usual amenities and facilities usually associated with conducting the game of bowls and other social activities.

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

Members' guarantee

Coonamble Bowling Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$1 for members, subject to the provisions of the company's constitution.

At 31 May 2020 the collective liability of members was \$796 (2019: \$1,452).

Directors' Report

31 May 2020

2. Operating results and review of operations for the year

Operating results

The profit of the Company after providing for income tax amounted to \$94,971 (2019: profit of \$289,934).

Review of operations

A review of the operations of the Company during the financial year and the results of those operations found that during the year, the Club suffered notable reductions in bar, catering and poker machine revenue as a result of COVID19 closure. It has been determined that approximately \$620,000 in revenue was lost as a direct result of COVID-19. Operating expenses were reduced to the essentials, the largest being employee wages. This has been offset by the receipt of government grants which total \$167,000 for the period ending 31 May 2020. Government grants include a cash flow boost of \$50,000 and Jobkeeper payments of \$117,000.

3. Other items

Significant changes in state of affairs

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

Events after the reporting date

Refer to note 18 of these financial statements for events occurring after the reporting date. Other than what has been disclosed in note 18, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental issues

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

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Coonamble Bowling Club Limited.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 May 2020 has been received and can be found on page 5 of the financial report.

Coonamble Bowling Club Limited

ABN: 99 000 972 172

Directors' Report

31 May 2020

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

Director: 
Steven Butler

Director: 
Alan Dodd

Dated 06 July 2020

PRINCIPALS

Kevin Rankmore B.Bus. CA, ACIS, ACSA, DipFP

Roger Estens B.Fin. Admin. CA, DipFP

Tim Lacey B.Com. CA

administrator@ryanrank.com

www.ryanrank.com

Coonamble Bowling Club Limited

ABN: 99 000 972 172

**Auditor's Independence Declaration under Section 307C of the
Corporations Act 2001 to the Directors of Coonamble Bowling Club
Limited**

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

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

**Ryan and Rankmore
Chartered Accountants**



**Roger Estens
RCA 418022**

**113-115 Darling Street
DUBBO NSW 2830**

Coonamble Bowling Club Limited

ABN: 99 000 972 172

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

		2020	2019
	Note	\$	\$
Revenue	4(a)	2,638,615	3,034,841
Cost of goods sold		(489,768)	(554,742)
Gross profit		2,148,847	2,480,099
Other income	4(b)	253,801	82,536
Bingo and raffle expenses		(62,018)	(71,324)
Bowls expenses		(15,034)	(14,303)
Club grants		(22,727)	(22,727)
Depreciation and amortisation expense		(360,226)	(294,315)
Donations and sponsorship		(15,916)	(28,904)
Electricity, gas and water		(114,642)	(114,936)
Employee benefits expense		(1,024,763)	(984,946)
Entertainment expenses		(59,023)	(75,899)
Insurance		(63,680)	(66,830)
Member services and prizes		(68,538)	(89,390)
Other expenses		(117,930)	(90,989)
Poker machine expenses		(203,518)	(248,023)
Repairs and maintenance		(138,905)	(122,639)
Subscriptions and licenses		(16,635)	(18,808)
Technical support		(24,122)	(28,668)
Profit/ (loss) before income tax		94,971	289,936
Income tax expense		-	-
Profit/ (loss) for the year		94,971	289,936
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		94,971	289,936

The accompanying notes form part of these financial statements.

Coonamble Bowling Club Limited

ABN: 99 000 972 172

Statement of Financial Position

As At 31 May 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	2,761,957	2,802,924
Trade and other receivables	6	78,180	13,951
Inventories	7	10,440	30,041
Other assets	8	28,402	22,815
TOTAL CURRENT ASSETS		<u>2,878,979</u>	<u>2,869,731</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	4,308,125	4,271,752
Intangible assets	10	80,000	80,000
TOTAL NON-CURRENT ASSETS		<u>4,388,125</u>	<u>4,351,752</u>
TOTAL ASSETS		<u><u>7,267,104</u></u>	<u><u>7,221,483</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	50,597	70,582
Employee benefits	12	126,646	173,190
TOTAL CURRENT LIABILITIES		<u>177,243</u>	<u>243,772</u>
NON-CURRENT LIABILITIES			
Employee benefits	12	39,118	30,003
TOTAL NON-CURRENT LIABILITIES		<u>39,118</u>	<u>30,003</u>
TOTAL LIABILITIES		<u>216,361</u>	<u>273,775</u>
NET ASSETS		<u><u>7,050,743</u></u>	<u><u>6,947,708</u></u>
EQUITY			
Retained earnings		<u>7,050,743</u>	<u>6,947,708</u>
TOTAL EQUITY		<u><u>7,050,743</u></u>	<u><u>6,947,708</u></u>

The accompanying notes form part of these financial statements.

Coonamble Bowling Club Limited

ABN: 99 000 972 172

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

2020

	Retained Earnings	Total
	\$	\$
Balance at 1 June 2019	6,955,772	6,955,772
Profit/ (loss) attributable to members of the Company	94,971	94,971
Balance at 31 May 2020	7,050,743	7,050,743

2019

	Retained Earnings	Total
	\$	\$
Balance at 1 June 2018	6,653,802	6,653,802
Profit/ (loss) attributable to members of the Company	301,970	301,970
Balance at 31 May 2019	6,955,772	6,955,772

The accompanying notes form part of these financial statements.

Coonamble Bowling Club Limited

ABN: 99 000 972 172

Statement of Cash Flows For the Year Ended 31 May 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		3,060,589	2,991,419
Payments to suppliers and employees		(2,765,012)	(2,552,158)
Interest received		34,768	43,389
Net cash provided by/(used in) operating activities	17	<u>330,345</u>	<u>482,650</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of property, plant and equipment		133,785	-
Purchase of property, plant and equipment		(505,095)	(258,041)
Net cash provided by/(used in) investing activities		<u>(371,310)</u>	<u>(258,041)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase/(decrease) in cash and cash equivalents held		(40,965)	224,609
Cash and cash equivalents at beginning of year		2,802,922	2,578,313
Cash and cash equivalents at end of financial year	5	<u>2,761,957</u>	<u>2,802,922</u>

The accompanying notes form part of these financial statements.

Coonamble Bowling Club Limited

ABN: 99 000 972 172

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

The financial report covers Coonamble Bowling Club Limited as an individual entity. Coonamble Bowling Club Limited is a Company, incorporated and domiciled in Australia.

The functional and presentation currency of Coonamble Bowling Club Limited is Australian dollars.

The financial report was authorised for issue by the Directors on .

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The amounts presented in the financial report have been rounded to the nearest dollar.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

2 Summary of significant accounting policies

(a) Revenue recognition

The Company has applied AASB 15: Revenue from Contracts with Customers using the cumulative effective method. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue. No impact is shown in relation to the initial adoption of AASB 15 as the Directors have assessed that there is no material difference in the result of the Company between applying AASB 118 Revenue and AASB 15.

In accordance with AASB 15, revenue continues to be recognised when control of the goods and services has transferred to the customers. For such transactions, this is the point in time when the goods are delivered to the customers or the services are received by customers.

Interest revenue is recognised using the effective interest method.

Receivables are recognised when items are delivered or services received, as at this point consideration is unconditional since only time needs to pass before payment of that consideration is due.

Other income is recognised on an accruals basis when the Company is entitled to it.

(b) Income tax

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

Notes to the Financial Statements

For the Year Ended 31 May 2020

2 Summary of significant accounting policies (continued)

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

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

(d) Inventories

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

(e) Property, plant and equipment

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

In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised in the statement of comprehensive income. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

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

Notes to the Financial Statements

For the Year Ended 31 May 2020

2 Summary of significant accounting policies (continued)

(e) Property, plant and equipment (continued)

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

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant and equipment	2.5% - 25%
Poker machines	10% - 20%

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

(f) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date the Company commits itself to either the purchase or sale of the asset.

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified at "fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

Trade receivables are initially measured at the transaction price.

Financial assets

Financial assets are subsequently measured at:

- amortised cost; or
- fair value through other comprehensive income.

Financial assets comprising cash and cash equivalents, trade and other receivables and interest bearing deposits are subsequently measured at amortised cost as they meet the following conditions:

- the financial assets are managed solely to collect contractual cash flows; and
- the contractual terms within the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

Derecognition of financial assets

A financial asset is derecognised when the Company's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

Notes to the Financial Statements

For the Year Ended 31 May 2020

2 Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

Financial assets (continued)

All of the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all the risks and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a financial asset classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the financial asset reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

Financial liabilities are subsequently measured at amortised costs using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or financial liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Impairment

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

A loss allowance is not recognised for investments measured at fair value through other comprehensive income.

Notes to the Financial Statements

For the Year Ended 31 May 2020

2 Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

Impairment (continued)

Recognition of expected credit losses in financial statements

At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Financial assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at the end of the reporting period.

(g) Impairment of assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for tangible and intangible assets. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for intangible assets with indefinite useful lives.

(h) Intangible assets

Poker machine entitlements

Poker machine entitlements represent entitlements purchased.

Recognition and measurement

Poker machine entitlements are not amortised as they are deemed to have an indefinite useful life. They have an indefinite useful life as they do not expire and under current government legislation there is no plan to remove such entitlements. As a result, poker machine entitlements are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and are carried at cost less accumulated impairment losses.

Impairment tests for poker machine entitlements

At the end of the reporting period the company assessed the recoverable amount of poker machine entitlement based on the value in use methodology. The Company used the pre-tax cash flows generated from the poker machines net revenues generated and calculated the present values of these future cash flows at an appropriate discount rate to arrive at the total value of these entitlements. The value thus arrived, was in excess of the carrying value and accordingly no impairment losses were recognised.

Notes to the Financial Statements

For the Year Ended 31 May 2020

2 Summary of significant accounting policies (continued)

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other financial institutions, other short-term highly liquid investments with original maturities of twelve months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(j) Leases

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

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

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

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

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

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

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

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

Notes to the Financial Statements

For the Year Ended 31 May 2020

2 Summary of significant accounting policies (continued)

(j) Leases (continued)

Exceptions to lease accounting

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

(k) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

(l) Trade and other payables

Trade and other payables are carried at amortised cost and represent the liabilities for goods and services received by the Company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

(m) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 31 May 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

3 Critical accounting estimates and judgements

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

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

The significant estimates and judgements made have been described below.

Key estimates - impairment of intangibles, property, plant and equipment

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

Notes to the Financial Statements

For the Year Ended 31 May 2020

3 Critical accounting estimates and judgements (continued)

Key estimates - employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the Company expects that most employees will not use all their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows, the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

Key judgements - COVID-19 impact on the financial statements

The Prime Minister announced that registered clubs are required to cease operating from midday, Monday 23 March 2020, so as to slow the spread of COVID-19.

Legislation has now been made which gives effect to the club industry's reopening on 1 June 2020. The Prime Minister announced important changes to the Australian Government's Three Step Framework for a COVIDSafe Australia (the Framework). Under the changes, Step 3 of the Framework will now feature a capacity limit for specified venue types – including clubs – of 1 person per 4 square metres.

In order to register as a COVID SAFE business, clubs must first declare that they have completed a COVID-19 Safety Plan, and that a copy of the Plan is kept at the club's premises.

As a result, the Coonamble Bowling Club Limited commenced operations on Wednesday 3 June 2020 as a COVID SAFE business.

It has been determined that approximately \$620,000 in revenue was lost as a result of COVID-19. Operating expenses were reduced to the essentials, the largest being employee wages. This has been offset by the receipt of government grants which total \$167,000 for the period ending 31 May 2020.

As of 31 May 2020, the Company had net working capital of \$2,701,736 and no long term debt.

The directors have prepared projected cash flow information for the twelve months from the date of approval of these financial statements taking into consideration the estimation of the continued business impacts of COVID-19. These forecasts indicate that, taking account of reasonably possible downsides, the Company is expected to continue to operate, with headroom, within available cash levels.

Based on these forecasts, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis and the Directors have a reasonable expectation that the Company will remain a going concern for at least the next twelve months.

Coonamble Bowling Club Limited

ABN: 99 000 972 172

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

4 Revenue and other income

(a) Revenue from continuing operations

	2020	2019
	\$	\$
Sale of goods:		
- Bar sales	469,629	580,922
- Bowls	82	-
- Catering	447,127	556,234
- Coffee sales	1,873	2,019
	<u>918,711</u>	<u>1,139,175</u>
Rendering of services:		
- Bingo and Raffles	66,966	90,754
- Bowls	2,618	3,842
- Commissions	88,513	119,753
- Entertainment income	8,479	-
- Hire fees	10,019	10,394
- Membership subscriptions	8,498	13,859
- Poker machine revenue	1,532,011	1,651,864
- Rent received	2,800	5,200
	<u>2,638,615</u>	<u>3,034,841</u>

(b) Other income breakup

Government grants	117,000	-
Interest	28,181	61,204
Net gain on disposal of property, plant and equipment	25,290	-
Sundry income	83,330	21,332
	<u>253,801</u>	<u>82,536</u>

5 Cash and cash equivalents

Cash on hand	6,431	114,001
Bank balances	944,277	885,471
Short-term deposits	1,811,249	1,803,452
	<u>2,761,957</u>	<u>2,802,924</u>

(a) Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	2,761,957	2,802,924
	<u>2,761,957</u>	<u>2,802,924</u>

Coonamble Bowling Club Limited

ABN: 99 000 972 172

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

6 Trade and other receivables

	2020 \$	2019 \$
CURRENT		
Trade receivables	11,771	11,418
GST receivable	6,409	-
Government subsidies receivable	60,000	-
ATM commission receivable	-	2,533
	<u>78,180</u>	<u>13,951</u>

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

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

7 Inventories

CURRENT		
At cost:		
Bar	8,440	24,541
Catering	2,000	3,500
Trophies and sundries	-	2,000
	<u>10,440</u>	<u>30,041</u>

Write downs of inventories to net realisable value during the year were \$ NIL (2019: \$ NIL).

8 Other assets

CURRENT		
Accrued interest	11,228	17,815
Prepayments	12,174	-
TAB security deposit	5,000	5,000
	<u>28,402</u>	<u>22,815</u>

Notes to the Financial Statements

For the Year Ended 31 May 2020

9 Property, plant and equipment

	2020 \$	2019 \$
LAND AND BUILDINGS		
Freehold land		
At cost	297,513	297,513
Total Land	297,513	297,513
Buildings		
At cost	5,218,705	5,227,282
Accumulated depreciation	(1,891,954)	(2,046,720)
Total buildings	3,326,751	3,180,562
Total land and buildings	3,624,264	3,478,075
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	1,612,068	3,855,684
Accumulated depreciation	(1,121,469)	(3,062,007)
Total plant and equipment	490,599	793,677
Poker machines		
At cost	1,007,140	-
Accumulated depreciation	(813,878)	-
Total poker machines	193,262	-
Total plant and equipment	683,861	793,677
Total property, plant and equipment	4,308,125	4,271,752

(a) Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land \$	Buildings \$	Plant and Equipment \$	Poker Machines \$	Total \$
Year ended 31 May 2020					
Balance at the beginning of year	297,513	3,180,561	793,677	-	4,271,751
Additions	-	316,977	163,118	25,000	505,095
Disposals	-	(45,013)	(61,649)	(1,833)	(108,495)
Transfers	-	-	(292,584)	292,584	-
Depreciation expense	-	(125,774)	(111,963)	(122,489)	(360,226)
Balance at the end of the year	297,513	3,326,751	490,599	193,262	4,308,125

Coonamble Bowling Club Limited

ABN: 99 000 972 172

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

10 Intangible assets

	2020	2019
	\$	\$
Poker machine licenses	80,000	80,000
	<u>80,000</u>	<u>80,000</u>

(a) Movements in carrying amounts of intangible assets

	Poker machine licenses	Total
	\$	\$
Year ended 31 May 2020		
Balance at the beginning of the year	80,000	80,000
Balance at the end of the year	<u>80,000</u>	<u>80,000</u>

11 Trade and other payables

CURRENT

Trade payables	4,232	50,061
Credit cards	5,053	5,515
Other payables	-	907
GST payable	-	2,055
PAYG Withholding	25,572	12,044
Wage accrual	15,740	-
	<u>50,597</u>	<u>70,582</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

12 Employee benefits

	2020	2019
	\$	\$
CURRENT		
Long service leave	27,950	40,207
Annual leave	98,696	132,983
	<u>126,646</u>	<u>173,190</u>
NON-CURRENT		
Long service leave	39,118	30,003
	<u>39,118</u>	<u>30,003</u>

Coonamble Bowling Club Limited

ABN: 99 000 972 172

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

13 Members' guarantee

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 1 each towards meeting any outstandings and obligations of the Company. At 31 May 2020 the number of members was 796 (2019: 1,452).

14 Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that Company.

The total remuneration paid to key management personnel of the Company is \$175,607.

15 Contingencies

Contingent liabilities

Coonamble Bowling Club Limited had a \$5,000 (2019: \$5,000) secured performance guarantee for the autopay, TAB and business card facilities. This guarantee is not provided for in the financial statements.

16 Related parties

(a) The Company's main related parties are as follows:

Key management personnel - refer to Note 14.

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

(b) Transactions with related parties

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

Services were provided to the Club by a business owned by director Alan Dodd. All transactions were at an arm's length basis at normal business rates. Total paid to Alan Dodd during the financial year was \$19,285 (2019: \$24,727).

There have been no other transactions with related parties during the financial year.

Notes to the Financial Statements

For the Year Ended 31 May 2020

17 Cash flow information

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

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

	2020	2019
	\$	\$
Profit for the year	94,971	289,934
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	360,226	294,315
- net gain on disposal of property, plant and equipment	(25,290)	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(56,631)	(37,325)
- (increase)/decrease in other assets	6,587	1,718
- (increase)/decrease in prepayments	(12,174)	-
- (increase)/decrease in inventories	19,601	(7,867)
- increase/(decrease) in trade and other payables	(19,516)	(54,834)
- increase/(decrease) in employee benefits	(37,429)	(15,325)
Cash flows from operations	330,345	470,616

18 Events occurring after the reporting date

The financial report was authorised for issue on 06 July 2020 by the board of directors.

Club closure due to COVID-19

The Prime Minister announced that registered clubs are required to cease operating from midday, Monday 23 March 2020, so as to slow the spread of COVID-19.

Legislation has now been made which gives effect to the club industry's reopening on 1 June 2020. The Prime Minister announced important changes to the Australian Government's Three Step Framework for a COVIDSafe Australia (the Framework). Under the changes, Step 3 of the Framework will now feature a capacity limit for specified venue types – including clubs – of 1 person per 4 square metres.

In order to register as a COVID SAFE business, clubs must first declare that they have completed a COVID-19 Safety Plan, and that a copy of the Plan is kept at the club's premises.

As a result, the Coonamble Bowling Club Limited commenced operations on Wednesday 3 June 2020 as a COVID SAFE business.

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

Coonamble Bowling Club Limited

ABN: 99 000 972 172

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

19 Statutory information

The registered office and principal place of business of the company is:

Coonamble Bowling Club Limited
Aberford Street
Coonamble NSW 2829

Coonamble Bowling Club Limited

ABN: 99 000 972 172

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 24, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 31 May 2020 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director



Steven Butler

Director



Alan Dodd

Dated 06 July 2020

Independent Audit Report to the members of Coonamble Bowling Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Coonamble Bowling Club Limited (the Company), which comprises the statement of financial position as at 31 May 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 31 May 2020 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the directors' report, the detailed profit and loss statement, and the detailed trading profit and loss statements, (but does not include the financial report and our auditor's report thereon).

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Audit Report to the members of Coonamble Bowling Club Limited

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

PRINCIPALS

Kevin Rankmore B.Bus. CA, ACIS, ACSA, DipFP

Roger Estens B.Fin. Admin. CA, DipFP

Tim Lacey B.Com. CA

administrator@ryanrank.com

www.ryanrank.com

Independent Audit Report to the members of Coonamble Bowling Club Limited

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Ryan and Rankmore
Chartered Accountants



Roger Estens
RCA 418022

113-115 Darling Street
Dubbo NSW 2830

Dated 03/08/2020

PRINCIPALS

Kevin Rankmore B.Bus. CA, ACIS, ACSA, DipFP

Roger Estens B.Fin. Admin. CA, DipFP

Tim Lacey B.Com. CA

administrator@ryanrank.com

www.ryanrank.com

Coonamble Bowling Club Limited

ABN: 99 000 972 172

Disclaimer

For the Year Ended 31 May 2020

The additional financial data presented on pages 30 - 34 is in accordance with the books and records of the Company which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 31 May 2020. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Coonamble Bowling Club Limited) in respect of such data, including any errors or omissions therein however caused.

Ryan and Rankmore

Chartered Accountants



Roger Estens

RCA 418022

113-115 Darling Street

Dubbo NSW 2830

Dated 06 July 2020

Coonamble Bowling Club Limited

ABN: 99 000 972 172

Detailed Profit and Loss Statement For the Year Ended 31 May 2020

	2020 \$	2019 \$
Sales		
Bar sales	469,629	580,922
Coffee sales	1,873	2,019
Catering	447,127	556,234
Bowls	82	-
Total sales	918,711	1,139,175
Less: Cost of sales		
Opening stock	28,041	20,174
Purchases	477,476	562,609
Closing stock	(15,749)	(28,041)
Bar wages	286,561	287,072
Catering wages	271,606	268,601
Gas	15,958	16,667
Repairs and maintenance	1,567	9,206
Superannuation contributions	42,181	49,679
Total cost of sales	1,107,641	1,185,967
Trading profit/ (loss)	(188,930)	(46,792)
Plus: Rendering of services		
Bingo and Raffles	66,966	90,754
Bowls	2,618	3,842
Commissions	88,513	119,753
Entertainment income	8,479	-
Hire fees	10,019	10,394
Membership subscriptions	8,498	13,859
Poker machine revenue	1,532,011	1,651,864
Rent received	2,800	5,200
Total rendering of services	1,719,904	1,895,666
Plus: Other income		
Gain on disposal of assets	25,290	-
Government grants	117,000	-
Interest	28,181	61,204
Sundry income	83,330	21,332
Total other income	253,801	82,536
Gross Profit	1,784,775	1,931,410
Less: Expenses		
Advertising	23,187	19,074
Auditors remuneration	15,937	13,650
Bad debts written off	5,112	-
Bank charges	4,222	4,229
Bingo	16,366	14,875
Bowls expenses	15,034	14,303
Club grants	22,727	22,727

Coonamble Bowling Club Limited

ABN: 99 000 972 172

Detailed Profit and Loss Statement For the Year Ended 31 May 2020

	2020	2019
	\$	\$
Consulting and professional fees	1,386	-
Depreciation	360,226	294,315
Dishonoured cheques	475	-
Donations and sponsorship	15,916	28,904
Electricity	89,466	87,575
Entertainment expenses	49,218	60,839
Equipment - small items	19,802	12,849
Freight and cartage	680	417
Function expenses	1,072	234
Generator costs	5,167	245
Insurance	63,680	66,830
Keno expenses	1,860	2,330
Member services and prizes	68,538	89,390
Motor vehicle expenses	2,099	167
Movement in employee benefits	(37,429)	(15,325)
Payroll tax	9,836	3,154
Poker machine data monitoring system	15,107	17,910
Poker machine other expenses	2,900	5,000
Poker machine tax	185,511	225,113
Postage	1,250	1,515
Printing and stationery	11,772	8,768
Raffles	45,652	56,449
Rates	9,218	10,694
Repairs and maintenance	137,338	113,433
Security costs	4,675	4,758
Staff bonus	3,900	-
Staff training	860	2,395
Staff/ directors expenses	11,717	5,769
Subscriptions and licenses	16,635	18,808
Superannuation contributions	32,135	28,729
TAB expenses	7,945	12,730
Technical support	24,122	28,668
Telephone and fax	13,511	18,748
Travel and accommodation	3,491	3,010
Uniforms	1,208	3,198
Wages - cleaners	79,010	83,848
Wages - clerical	188,115	190,522
Wages - greens	136,271	80,502
Workplace health and safety	2,884	127
Total expenses	1,689,804	1,641,476
Profit before income tax	94,971	289,934

Coonamble Bowling Club Limited

ABN: 99 000 972 172

Bar Detailed Trading Profit and Loss Statement For the Year Ended 31 May 2020

	2020	2019
	\$	\$
Sales	469,405	580,922
Cost of sales		
Opening stock	24,541	17,174
Purchases	219,272	281,773
Closing stock	(13,749)	(24,541)
Cost of goods sold	230,064	274,406
Gross profit	239,341	306,516
Gross profit (%)	50.99 %	52.76 %
Less: Direct expenses		
Repairs and maintenance	943	6,669
Superannuation contributions	20,995	24,631
Wages	286,561	287,072
Government Jobkeeper payments	(33,750)	-
Total direct expenses	274,749	318,372
Net profit / (loss)	(35,408)	(11,856)

Coonamble Bowling Club Limited

ABN: 99 000 972 172

Poker Machine Detailed Trading Profit and Loss Statement For the Year Ended 31 May 2020

	2020	2019
	\$	\$
Sales	1,514,831	1,634,684
Less: Direct expenses		
Data monitoring system	15,107	17,910
Poker machine promotions	-	3,614
Poker machine tax	168,331	207,933
Repairs and maintenance	21,928	28,621
Total direct expenses	205,366	258,078
Net profit / (loss)	1,309,465	1,376,606

Coonamble Bowling Club Limited

ABN: 99 000 972 172

Catering Detailed Trading Profit and Loss Statement For the Year Ended 31 May 2020

	2020	2019
	\$	\$
Sales	449,000	558,253
Cost of sales		
Opening stock	3,500	3,000
Purchases	258,204	280,836
Closing stock	(2,000)	(3,500)
Cost of goods sold	259,704	280,336
Gross profit	189,296	277,917
Gross profit (%)	42.16 %	49.78 %
Less: Direct expenses		
Gas	15,958	16,667
Repairs and maintenance	624	2,537
Superannuation contributions	21,186	25,048
Wages	271,606	268,601
Government Jobkeeper payments	(42,750)	-
Total direct expenses	266,624	312,853
Net profit / (loss)	(77,328)	(34,936)