



**Valentine Bowling Club
Co-Operative Limited**

ABN 85 055 077 247

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

Valentine Bowling Club Co-Operative Limited ABN 85 055 077 247

Annual financial report for the year ended 30 April 2021

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

The financial statements were authorised for issue by the Directors on 28 June 2021. The Directors have the power to amend and reissue the financial statements.

Director's report

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

Directors details

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

Mr Edward Elks

Finance, building, HR and membership, marketing, functions and strategic plan and WHS Committees
President, Director since 2005

Worked in the insurance industry mainly with Mercantile Mutual Insurance culminating in the position of Regional Manager at Newcastle. He then worked with Markey Insurance Brokers as Administration Manager and then with Aust agencies as an Underwriter.

Mr Colin Taylor

Finance Committee
Finance Director, Director since 2005

Certified Practising Accountant (CPA), JP. Has been employed in senior management / accounting roles for over 35 years.

Mr David McQuire

Finance Committee
Director since 2008

Qualified Accountant for over 42 years and a member of National Institute of Accountants and a member of the Australian Institute of Company Directors. Held Senior Accounting positions in major organisations in the Mining, Club and Construction Industries and a variety of small businesses in Australia, Indonesia and Chile (South America).

Mr Geoff Armstrong

Building Committee
Director since 2014

Qualified Fitter Machinist, 44 years working in mining industry. 10 years Union Rep in mining industry.

Mr Robert Gray

Strategic plan and WHS Committees

Vice President, Director since 2018

Past roles include General Manager of Lake Macquarie City Council, Corporate Services Ambulance Service of NSW, and of Corporate Services WorkCover Authority of NSW, also Local Area Manager Newcastle Command NSW Police Force. Former board member of several other organisations.

Mr Peter Howell

Building Committee
Director since 2008

Started as an apprentice with Newcastle Building firm R.A. Wenham Pty Ltd from 1958 to 1970, finishing as a foreman. Here he achieved his Clerk of Works Certificate. Following this he worked with various sub-contracting builders until 1974 where he received a Builders Licence and worked as a sole builder until 2003. He worked as a foreman with Andrew Brown Construction through to retirement in 2008.

Mrs Glenda Morgan

Marketing and Functions Committees
Director since 2010

40 years teaching experience. BA Education. Diploma Special Education Teaching Certificate.

Mrs Jenny Baldwin

Marketing and Functions Committees
Director since 2020

Human resources, past roles included owner/operator of a haulage business for 8 years and proprietor of Wallsend TAB (gaming) for 20 years before retiring. Bowls umpire from 2016, was also a Golf Captain and Golf Club treasurer.

Director's report (cont.)

Directors meetings

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

Board members	Board meetings	
	A	B
Mr Edward Elks	13	13
Mr Robert Gray	13	12
Mr Colin Taylor	13	11
Mr Peter Howell	13	11
Mr David McQuire	13	13
Mrs Glenda Morgan	13	13
Mr Geoff Armstrong	13	12
Mrs Jenny Baldwin	Elected at AGM 27/09/20	8
Mr Colin Edwards	Resigned from Board 27/04/21	12
Mrs Denise Miller	Did not stand at AGM 27/09/20	5

Where:

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

Core and non-core property

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

Core - Leasehold property situated at Valentine Crescent, Valentine, NSW 2280

Non-Core - Nil.

Principal activities

During the year, the principal activities of the Club was the running of the Club in accordance with its objectives for the benefits of its members.

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

Review of operations and financial results

	2021	2020	Change
	\$	\$	\$
Revenue from bar, bistro, function and gaming operations	2,762,093	4,014,718	(1,252,625)
Other revenue and other income (excluding government stimulus)	245,931	400,930	(154,999)
Total revenue and other income	3,008,024	4,415,648	(1,407,624)
Expenses (excluding interest, depreciation and amortisation, government st	(2,861,578)	(3,922,095)	1,060,517
Operating profit (before Interest, Depreciation and government stimulus)	146,446	493,553	(347,107)
Net Government and other stimulus	534,270	72,000	462,270
Depreciation and amortisation	(480,731)	(471,940)	(8,791)
Interest expenses and finance costs	(34,796)	(35,620)	824
Net profit / (loss) for the year	165,189	57,993	107,196
Operating cashflow	964,317	199,423	764,894

As a result of the spread of COVID-19 the Federal Government announced the closure of all Registered Clubs effective 23 March 2020. Clubs have since been allowed to reopen from 1 June 2020 with restrictions in place, and the Club recommenced trading in most areas at this time. This period of closure during the year, together with ongoing trading restrictions, is the principal reason for the decrease in revenue from the main trading areas. The increase in other revenue is primarily due to the receipt of government stimulus related to COVID-19.

This has resulted in a decrease in operating profit (before interest, depreciation and government stimulus) to \$146,446 for the year compared to \$493,533 for the previous year. The receipt of government stimulus has contributed to an improvement in the Clubs operating cashflows, to \$964,317

The Club also recorded an improved net result, with a net profit of \$165,189 this year compared to a net profit of \$57,993 in the prior year.

Director's report (cont.)

Significant changes in state of affairs

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

Events since the end of the financial year

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

Environmental regulation

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

Dividends paid or recommended

The Club is prohibited from paying dividends under its constitution.

Options

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

Indemnifying Officer or Auditor

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

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

Rounding of amounts

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

Auditor's independence declaration

A copy of the auditor's independence declaration as required under the Corporations Act 2001 is set out on page 6 and forms part of this Directors' report.

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



Edward Elks - President



Colin Taylor - Finance Director

Dated: 28 June 2021
Valentine, NSW

Auditor's independence declaration

To the Directors of Valentine Bowling Club Co-Operative Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Valentine Bowling Club Co-Operative Limited for the year ended 30 April 2021, I declare that, to the best of my knowledge and belief, there have been:

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

Kirsty Porteous

Kirsty Porteous - Partner

DFK Crosbie Partners

DFK Crosbie Partners
Chartered Accountants

Dated: 28 June 2021
Newcastle West, NSW

Statement of profit or loss and other comprehensive income

For the year ended 30 April 2021

	Notes	2021 \$	2020 \$
Revenue from continuing operations	2	3,008,023	4,385,494
Other Income	3	682,177	152,154
Bar cost of goods sold		(482,303)	(658,108)
Bar direct expenses		(274,493)	(327,964)
Bistro cost of goods sold		(425,871)	(631,313)
Bistro direct expenses		(489,306)	(699,949)
Gaming direct expenses		(148,545)	(226,973)
Members amenities		(108,822)	(197,722)
Clubhouse expenses		(573,968)	(624,977)
Administration expenses		(792,348)	(824,145)
Bowls expenses		(194,559)	(252,884)
Finance expenses		(34,796)	(35,620)
		(3,525,011)	(4,479,655)
Profit / (loss) before income tax		165,189	57,993
Income tax expense		-	-
Profit / (loss) for the year		165,189	57,993
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income / (loss) for the year		165,189	57,993

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

Statement of financial position

For the year ended 30 April 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	694,933	295,768
Trade receivables	5	17,793	2,901
Inventories	6	60,502	44,468
Financial assets at amortised cost	7	11,995	98,498
Other assets	8	50,665	44,204
Total current assets		835,888	485,839
Non-current assets			
Property, plant and equipment	9	3,536,049	3,824,673
Intangible assets	10	73,166	73,166
Right-of-use assets	11 (a)	339,357	365,113
Total non-current assets		3,948,572	4,262,952
Total assets		4,784,460	4,748,791
LIABILITIES			
Current liabilities			
Trade and other payables	12	254,051	134,551
Provisions	13	145,806	100,679
Other liabilities	14	126,700	71,360
Lease liabilities	11 (b)	20,861	20,155
Total current liabilities		547,418	326,745
Non-current liabilities			
Financial liabilities	15	410,000	735,000
Provisions	13	88,313	92,576
Other liabilities	14	32,440	32,510
Lease liabilities	11 (b)	280,379	301,239
Total non-current liabilities		811,132	1,161,325
Total liabilities		1,358,550	1,488,070
Net assets		3,425,910	3,260,721
MEMBERS FUNDS			
Reserves	16	1,271	1,271
Retained profits		3,424,639	3,259,450
Total members funds		3,425,910	3,260,721

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

Valentine Bowling Club Co-Operative Limited

Statement of changes in equity

For the year ended 30 April 2021

	Reserves	Retained	Total
	\$	\$	\$
Balance at 1 May 2019	1,271	3,201,457	3,202,728
Profit for the year	-	57,993	57,993
Total comprehensive income for the year	1,271	57,993	57,993
Balance at 30 April 2020	1,271	3,259,450	3,260,721
Profit for the year	-	165,189	165,189
Total comprehensive income for the year	-	165,189	165,189
Balance at 30 April 2021	1,271	3,424,639	3,425,910

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

Statement of cash flows

For the year ended 30 April 2021

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from members and customers		3,378,922	4,744,941
Payments to suppliers and employees		(3,125,159)	(4,561,126)
Interest received		-	1,228
Interest paid		(34,796)	(35,620)
Government stimulus		745,350	50,000
Net cash inflow (outflow) from operating activities		964,317	199,423
Cash flows from investing activities			
Payments for property, plant and equipment		(219,998)	(1,285,324)
Proceeds from sale of property, plant and equipment		-	31,903
Transfer to/from interest bearing deposit		-	150,000
Net cash inflow (outflow) from investing activities		(219,998)	(1,103,421)
Cash flows from financing activities			
Lease payments		(20,154)	(19,474)
Cash proceeds from borrowings		-	700,000
Repayment of borrowings		(325,000)	(15,000)
Net cash inflow (outflow) from financing activities		(345,154)	665,526
Net increase in cash and cash equivalents		399,165	(238,472)
Cash and cash equivalents at the beginning of the financial year		295,768	534,240
Cash and cash equivalents at the end of the financial year	4	694,933	295,768

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

Notes to the financial statements

For the year ended 30 April 2021

1 Summary of significant accounting policies

(a) Basis of preparation

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

(b) Statement of compliance

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

The financial report has been prepared on an accruals basis and is based on historical costs. The financial report is presented in Australian Dollars.

(c) Income Taxes

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

(d) Goods and Services Tax

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

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

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

(e) Rounding of amounts

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

Notes to the financial statements

For the year ended 30 April 2021

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

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

	Beverage revenue	Gaming revenue	Membership revenue	Bowls revenue	Bistro and function revenue	Other revenue	Total
	\$	\$	\$	\$	\$	\$	\$
2021							
Revenue from contracts with customers	1,109,551	498,124	67,917	65,303	1,137,234	112,710	2,990,839
Other revenue (not covered by AASB15)	-	17,184	-	-	-	-	17,184
	<u>1,109,551</u>	<u>515,308</u>	<u>67,917</u>	<u>65,303</u>	<u>1,137,234</u>	<u>112,710</u>	<u>3,008,023</u>

Timing of revenue recognition

At a point in time	1,109,551	515,308	-	65,303	1,137,234	112,710	2,940,106
Over time	-	-	67,917	-	-	-	67,917
	<u>1,109,551</u>	<u>515,308</u>	<u>67,917</u>	<u>65,303</u>	<u>1,137,234</u>	<u>112,710</u>	<u>3,008,023</u>

	Beverage revenue	Gaming revenue	Membership revenue	Bowls revenue	Bistro and function revenue	Other revenue	Total
	\$	\$	\$	\$	\$	\$	\$
2020							
Revenue from contracts with customers	1,605,253	626,194	71,938	77,195	1,766,087	221,643	4,368,310
Other revenue (not covered by AASB15)	-	17,184	-	-	-	-	17,184
	<u>1,605,253</u>	<u>643,378</u>	<u>71,938</u>	<u>77,195</u>	<u>1,766,087</u>	<u>221,643</u>	<u>4,385,494</u>

Timing of revenue recognition

At a point in time	1,605,253	643,378	-	77,195	1,766,087	221,643	4,313,556
Over time	-	-	71,938	-	-	-	71,938
	<u>1,605,253</u>	<u>643,378</u>	<u>71,938</u>	<u>77,195</u>	<u>1,766,087</u>	<u>221,643</u>	<u>4,385,494</u>

(c) Accounting policies and significant judgements

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

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

(i) Sale of goods - beverage revenue

The Club sells a range of beverages. Revenue from the sale of beverages is recognised at a point in time when the physical control passes to the customer.

(ii) Provision of services - gaming revenue

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

(iii) Provision of services - membership revenue

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

(iv) Provision of services - bowls revenue

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

Notes to the financial statements

For the year ended 30 April 2021

2 Revenue (continued)**(c) Accounting policies and significant judgements (continued)***(iv) Sale of goods - bistro and function revenue*

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

(vi) Other revenue

Raffle revenue: Raffle revenue is recognised at a point in time when the customer takes possession of the ticket and the raffle has been conducted as at this point the performance obligations have been satisfied.

TAB and Keno: Commission income where the Club acts as an agent for third parties who provide wagering services to members and guests is recognised at a point in time when the wagering transactions has been completed."

Grant Funding: Grant funding is recognised at a point in time when the performance obligations within the funding agreement have been satisfied.

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

3 Other income and expense items

	2021	2020
	\$	\$
(a) Other income		
Government stimulus payments - JobKeeper	622,350	72,000
Government stimulus payments - cashflow boost and other	51,000	50,000
Interest Income	-	1,228
Lease waiver benefit	8,827	-
Gain on disposal of fixed assets	-	28,926
	<u>682,177</u>	<u>152,154</u>

(i) Government stimulus payments

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

(ii) Interest income

Interest income is recognised on an accruals basis.

(iii) Lease waiver benefit

The Club recognises lease repayment concessions when they are formally given from the lessor. The benefit in the current year was a result of the lessor providing concessions to the Club as a result of Covid-19.

(iv) Gain on disposal of fixed assets

The Club recognised gains and losses on disposal of property, plant and equipment by comparing proceeds received on sale with the carrying amount of the asset being sold.

(b) Other expenses

Employee benefits expense	1,295,190	1,534,744
Interest costs	34,796	35,620
Depreciation and amortisation	480,731	471,940

Notes to the financial statements

For the year ended 30 April 2021

4 Cash and cash equivalents

	2021	2020
	\$	\$
Current		
Cash and cash equivalents	694,933	295,768
	<u>694,933</u>	<u>295,768</u>

Accounting policy

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

5 Trade receivables

Current		
Trade receivables	17,793	2,901
	<u>17,793</u>	<u>2,901</u>

Accounting policy

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

6 Inventories

Current		
Stock on hand at cost	60,502	44,468
	<u>60,502</u>	<u>44,468</u>

Accounting policy

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

7 Financial assets at amortised cost

Current		
Other receivables	11,995	98,498
	<u>11,995</u>	<u>98,498</u>

Accounting policy

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

8 Other assets

Current		
Prepayments	50,665	44,204
	<u>50,665</u>	<u>44,204</u>

Accounting policy

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

Notes to the financial statements

For the year ended 30 April 2021

9 Property, plant and equipment

	Capital WIP	Leasehold Improvements	Plant and Equipment	Poker Machines	Greens and Equipment	Total
	\$	\$	\$	\$	\$	\$
Non-current assets						
At 1 May 2020						
Cost	-	7,145,045	1,194,883	831,319	323,726	9,494,973
Accumulated depreciation	-	4,095,462	813,659	603,140	158,039	5,670,300
Net book amount	-	3,049,583	381,224	228,179	165,687	3,824,673
Year ended 30 April 2021						
Opening net book amount	-	3,049,583	381,224	228,179	165,687	3,824,673
Additions	17,985	96,322	38,859	7,999	5,186	166,351
Depreciation charge	-	(259,076)	(83,935)	(84,581)	(27,383)	(454,975)
Closing net book amount	17,985	2,886,829	336,148	151,597	143,490	3,536,049
Year ended 30 April 2021						
Cost	17,985	7,241,366	1,233,742	826,719	326,685	9,646,497
Accumulated depreciation	-	4,354,537	897,594	675,122	183,195	6,110,448
Net book amount	17,985	2,886,829	336,148	151,597	143,490	3,536,049

Accounting policy**(a) Leasehold Improvements**

Leasehold improvements are carried at cost less any accumulated depreciation and any impairment in value.

(b) Plant and equipment, greens and equipment, poker machines

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

(c) Depreciation

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

Leasehold Improvements	10 - 50 years
Plant and Equipment	4 - 10 years
Poker Machines	3 - 5 years
Greens and Equipment	5 - 10 Years

(d) Impairment

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

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

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

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

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

Notes to the financial statements

For the year ended 30 April 2021

10 Intangible assets

Non-current assets	Poker machine entitlements \$	Total \$
As at 30 April 2020		
Cost	73,166	73,166
Accumulated amortisation	-	-
Net book amount	<u>73,166</u>	<u>73,166</u>
As at 30 April 2021		
Cost	73,166	73,166
Accumulated amortisation	-	-
Net book amount	<u>73,166</u>	<u>73,166</u>

Accounting policy

Poker machine entitlements are intangible assets acquired separately and are capitalised at cost, the useful lives of these intangible assets are assessed to be indefinite. These are tested for impairment annually or whenever there is an indication that the intangible asset may be impaired.

The value shown for the poker machine entitlements, being their cost plus transaction costs, were tested for impairment having regard to the market value of such entitlements and the cash flow generated from holding these assets, with no impairment loss adjustment required.

Notes to the financial statements

For the year ended 30 April 2021

11 Leases

2021	2020
\$	\$

The Club leases point-of-sale hardware and the land situated under the Club buildings and carpark.

a) Right-of-use assets**Non-current**

Right-of-use assets

339,357	365,113
339,357	365,113

Reconciliation of right-of-use assets**2021**

At 1 May 2020

Additions

Amortisation

30 April 2021

	Point of-sale Hardware	Club Land	Total	Total
	\$	\$	\$	\$
At 1 May 2020	47,843	317,270	365,113	390,868
Additions	-	-	-	-
Amortisation	11,961	13,795	25,756	25,755
30 April 2021	35,882	303,475	339,357	365,113

b) Lease liabilities**Current**

Lease liabilities

Non-current

Lease liabilities

Total

12,884	7,977	20,861	20,155
22,386	257,993	280,379	301,239
35,270	265,970	301,240	321,394

Reconciliation of lease liabilities**2021**

At 1 May 2020

Interest expense

Lease payments

Net movement during year 30 April 2020

	Point of-sale Hardware	Club Land	Total	Total
	\$	\$	\$	\$
At 1 May 2020	47,738	273,656	321,394	340,868
Interest expense	1,594	10,314	11,908	12,588
Lease payments	(14,062)	(18,000)	(32,062)	(32,062)
Net movement during year 30 April 2020	35,270	265,970	301,240	321,394

Accounting policy

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

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

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

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

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

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Club's incremental borrowing rate. The weighted average incremental borrowing rate is 4.12%.

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

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

Notes to the financial statements

For the year ended 30 April 2021

12 Trade and other payables

	2021	2020
	\$	\$
Current		
Trade payables	165,728	135,582
GST payable	88,323	(1,031)
	<u>254,051</u>	<u>134,551</u>

Accounting policy

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

13 Provisions**Current**

Employee entitlements (i) & (ii)	145,806	100,679
	<u>145,806</u>	<u>100,679</u>

Non-current

Provision for make good (iii)	50,000	50,000
Employee entitlements (ii)	38,313	42,576
	<u>88,313</u>	<u>92,576</u>

Accounting policy**(i) Annual leave**

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

(ii) Long service leave

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

(iii) Provision for Make Good

The Club (lessee) is required to restore the leased premises which it occupies at the end of the lease term to the condition at the beginning of the lease subject to fair wear and tear. A provision has been recognised for the estimated expenditure required to meet the requirements of the lease in relation to "make good". These costs have been included in the calculation of the right-of-use assets and are amortised over the term of the lease.

14 Other liabilities**Current**

Contract liabilities - membership revenue	30,921	16,757
Contract liabilities - function revenue	56,385	20,305
Other liabilities - money held for internal clubs	26,184	27,540
Other liabilities - points and vouchers	11,790	5,335
Other liabilities - gaming tax rebate	1,420	1,423
	<u>126,700</u>	<u>71,360</u>

Non-current

Contract liabilities - membership revenue	32,440	32,510
	<u>32,440</u>	<u>32,510</u>

Accounting policy

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

Notes to the financial statements

For the year ended 30 April 2021

15 Financial liabilities	2021	2020
	\$	\$
Non-current		
<i>Secured</i>		
Bank loans (i)	410,000	735,000
Total secured financial liabilities	<u>410,000</u>	<u>735,000</u>

(i) Secured liabilities

The above loan is secured by registered mortgage debenture over the whole of the Club's assets, and mortgage over the lease given by Valentine Bowling Club over the premises, with an unused financing facility of \$460,000.

Accounting policy

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

Financial liabilities are classified as non-current liabilities if the Club has a right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.

16 Reserves	General	Total
	\$	\$
Balance at 1 May 2020	1,271	1,271
Changes to reserves	-	-
Balance at 30 April 2021	<u>1,271</u>	<u>1,271</u>

*(i) Nature and purpose of reserves**General reserve*

Historical carry forward balance on change to co-operative with no share capital.

17 Commitments*(i) Capital Commitments*

Synthetic greens

161,865	
<u>161,865</u>	-

18 Related parties

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

(a) Key management personnel compensation

Total key management personnel benefits	<u>127,462</u>	<u>116,412</u>
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Notes to the financial statements

For the year ended 30 April 2021

19 Critical accounting estimates and judgements

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

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

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

- Estimation of useful lives of non-current assets (notes 9, 10 and 11) - The useful life of property, plant and equipment and right-of-use assets (where useful life is greater than the lease term) is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence. The useful life of poker machine entitlements classified as an intangible asset has been assessed as indefinite. There is uncertainty in relation to this assumption as it is based on current legislation and conditions attached to the entitlements. The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the statement of profit or loss and other comprehensive income should they change.
- Estimation of provision for make good (note 13) - there is estimation uncertainty in relation to a number of components when assessing the measurement of the provision for make good including but not limited to the condition required to restore the premises to, the extent of assets required to be removed and the timing of the cash outflows to satisfy these. The current measurement of the provision for make good represents the Club's best estimate of these components.

Directors' declaration

In the Directors' opinion:

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

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



Edward Elks - President



Colin Taylor - Finance Director

28 June 2021
Valentine, NSW

Independent auditor's report to the members of Valentine Bowling Club Co-Operative Limited

Opinion

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

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

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report. We are independent of the Club in accordance with the auditor independence requirements of the 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Directors for the financial report

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

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

Matters relating to the electronic presentation of the audited financial report

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

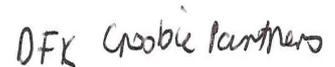
Auditor's responsibilities for the audit of the financial report

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

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



Kirsty Porteous - Partner



DFK Crosbie Partners
Chartered Accountants

28 June 2021
Newcastle West, NSW