



SWANSEA WORKERS CO-OPERATIVE CLUB LIMITED
ABN 65 261 562 336

Summary Financial Report
For the Year Ended
30 June 2018

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

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

A copy of the Club's 2018 full financial statements, including the independent audit report, is available to all members and will be sent to members without charge upon request.

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Swansea Workers Co-Operative Club Limited

ABN 65 261 562 336

Directors' Report

30 June 2018

Your Directors present their report on Swansea Workers Co-Operative Club Limited for the year ended 30 June 2018.

Directors

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

Name	Position	Occupation	Years Service
G. Wall	Acting President	Retired	5
K. Rearden	Director	Retired	5
S. Price	Director	Business Owner	5
P. Williams	Director	Retired	Appointed 24/09/17
R. Broadbent	Director	Retired	Appointed 24/09/17
L. Farmer	Director	Employed	Appointed 24/04/18
T. Masson	-	-	Appointed 24/09/17 Resigned 26/03/18
J. Wolfe	-	-	Resigned 26/03/18
D. Gardiner	-	-	Resigned 24/09/17
W. Doran	-	-	Resigned 24/09/17
S. Mowat	-	-	Resigned 24/09/17

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

Club secretary

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

P. McDade (Secretary Manager) has been the Club Secretary since June 2018. Prior to this, T. Shaw was Club Secretary for 5 years.

Principal activities

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

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

Operating results

The loss of the Club after providing for income tax amounted to \$148,613 (2017: loss of \$81,912).

Review of operations

Profit from bar trading amounted to \$400,774 and gross profit percentage of 59% was obtained from sales of \$1,152,377.

Net gaming revenue amounted to \$1,039,947 and compares with \$1,136,830 in 2017.

Swansea Workers Co-Operative Club Limited

ABN 65 261 562 336

Directors' Report 30 June 2018

Meetings of Directors

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

	Directors' Meetings	
	Number eligible to attend	Number attended
G. Wall	12	11
K. Rearden	12	12
S. Price	12	7
P. Williams (Appointed 24/09/17)	10	10
R. Broadbent (Appointed 24/09/17)	10	10
L. Farmer (Appointed 24/04/18)	3	3
T. Masson (Appointed 24/09/17, Resigned 26/03/18)	7	7
J. Wolfe (Resigned 26/03/18)	9	9
D. Gardiner (Resigned 24/09/17)	2	-
W. Doran (Resigned 24/09/17)	2	2
S. Mowat (Resigned 24/09/17)	2	2

Significant changes in state of affairs

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

After balance date events

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 issues

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

Short and long term objectives

The Club has established short and long term objectives as outlined in the Club's business plan which is reviewed on an annual basis. These objectives are both financial and non financial and are aimed towards providing a comfortable and secure environment to its members that continues to meet their needs. These objectives are measured through both financial and non financial key performance indicators that have been determined relevant to the Club industry. No information is included on the likely developments in the operations of the Club and the expected results of those operations.

Swansea Workers Co-Operative Club Limited

ABN 65 261 562 336

Directors' Report 30 June 2018

Disclosure of Core and Non-Core Property

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 30 June 2018:

Address	Current Usage	Classification
9 RAWSON STREET SWANSEA NSW 2281	Club Premises	Core
6 RAWSON STREET SWANSEA NSW 2281	Car Park	Core

Auditors independence declaration

The lead auditors independence declaration for the year ended 30 June 2018 has been received and can be found on page 4 of the financial report.


Indemnification and insurance of officers and auditors


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

Directors emoluments

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Club, with a Director, a firm of which the Director is a member or an entity in which the Director has a substantial financial interest.

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

Director: 

Director: 

Dated 30 July 2018

Swansea Workers Co-Operative Club Limited

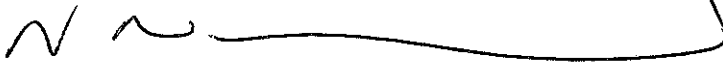
ABN 65 261 562 336

Auditors Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, there have been:

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

Cutcher & Neale Assurance Pty Limited
(an authorised audit company)



N. Nancarrow CA
Director

NEWCASTLE

23 July 2018

Swansea Workers Co-Operative Club Limited

ABN 65 261 562 336

Directors' Declaration

Report on the Financial Report

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 30 June 2018, the summary statement of profit or loss and other comprehensive income, the summary statement of changes in equity, the summary statement of cash flows, discussion and analysis of the financial statements and the Directors Declaration for the year then ended, and related notes, are derived from the audited financial report of Swansea Workers Co-Operative Club Limited for the year ended 30 June 2018.

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

Summary Financial Statements

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

The Audited Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial report in our report dated 31 July 2018.

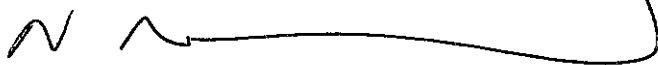
Directors' Responsibility for the Summary Financial Statements

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

Auditor's Responsibility

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

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



N. Nancarrow CA
Director

NEWCASTLE

31 July 2018

Swansea Workers Co-Operative Club Limited

ABN 65 261 562 336

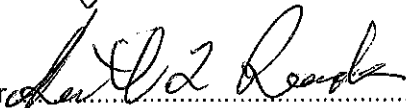
Directors' Declaration

The Directors of Swansea Workers Co-operative Club Limited declare that the summary financial statements of Swansea Workers Co-operative Club Limited for the financial year ended 30 June 2018, as set out on pages 7 to 13:

- (a) comply with Accounting policies as described in Note 1; and
- (b) have been derived from and are consistent with the full financial statements of Swansea Workers Co-operative Club Limited.

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

Director 

Director 

Dated 30 July 2018

Swansea Workers Co-Operative Club Limited

ABN 65 261 562 336

Summary Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
Bar sales	1,152,377	1,109,867
Less: Bar cost of goods sold	(469,188)	(457,182)
Gross profit	683,189	652,685
Poker machine net clearances	1,039,947	1,136,830
Gaming commissions	82,605	86,615
Raffles and bingo income	184,086	170,734
Other revenue from ordinary activities	2 133,821	122,209
Other revenue from non-operating activities	2 -	6,807
Borrowing cost expense	(15,388)	(16,976)
Bar trading expenses	(282,415)	(293,114)
Poker machine trading expenses	(157,423)	(189,521)
Gaming commission expenses	(138,551)	(142,516)
Raffle and bingo expenses	(242,383)	(227,605)
Occupancy expenses	(319,101)	(299,953)
Club promotion and entertainment expenses	(294,984)	(296,864)
Bowling expenses	(105,401)	(105,791)
Depreciation of property plant and equipment	(239,145)	(251,887)
Administrative expenses	(433,640)	(423,923)
Other operating expenses from ordinary activities	(32,073)	(9,016)
Profit / (loss) before income tax	(136,856)	(81,286)
Income tax (expense)/benefit	(11,757)	(612)
Profit / (loss) after income tax	(148,613)	(81,912)
Other comprehensive income	-	-
Total comprehensive income / (loss)	(148,613)	(81,912)

The accompanying notes form part of these financial statements.

Swansea Workers Co-Operative Club Limited

ABN 65 261 562 336

Summary Statement of Financial Position

As at 30 June 2018

	2018	2017
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	448,900	233,237
Trade and other receivables	18,039	7,592
Inventories	25,835	28,604
Other assets	6,573	76,563
TOTAL CURRENT ASSETS	499,347	345,996
NON-CURRENT ASSETS		
Financial assets	110	110
Property, plant and equipment	1,711,915	1,834,939
Deferred tax assets	114,489	126,246
TOTAL NON-CURRENT ASSETS	1,826,514	1,961,295
TOTAL ASSETS	2,325,861	2,307,291
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	147,073	177,741
Short-term borrowings	52,591	198,807
Short-term provisions	39,178	66,502
TOTAL CURRENT LIABILITIES	238,842	443,050
NON-CURRENT LIABILITIES		
Long-term borrowings	509,714	135,960
Long-term provisions	11,936	14,299
TOTAL NON-CURRENT LIABILITIES	521,650	150,259
TOTAL LIABILITIES	760,492	593,309
NET ASSETS	1,565,369	1,713,982
EQUITY		
Retained earnings	1,565,369	1,713,982
TOTAL EQUITY	1,565,369	1,713,982

The accompanying notes form part of these financial statements.

Swansea Workers Co-Operative Club Limited

ABN 65 261 562 336

Summary Statement of Changes in Equity For the Year Ended 30 June 2018

2018

	Retained Earnings
	\$
Balance at 1 July 2017	1,713,982
Profit / (loss) attributable to members	(148,613)
Balance at 30 June 2018	<u>1,565,369</u>

2017

	Retained Earnings
	\$
Balance at 1 July 2016	1,795,894
Profit / (loss) attributable to members	(81,912)
Balance at 30 June 2017	<u>1,713,982</u>

The accompanying notes form part of these financial statements.

Swansea Workers Co-Operative Club Limited

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Summary Statement of Cash Flows For the Year Ended 30 June 2018

	2018	2017
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	2,581,612	2,636,936
Payment to suppliers and employees	(2,435,219)	(2,458,447)
Interest received	775	1,158
Finance costs	(15,388)	(16,976)
Net cash provided by / (used in) operating activities	<u>131,780</u>	<u>162,671</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(143,655)</u>	<u>(193,235)</u>
Net cash provided by / (used in) investing activities	<u>(143,655)</u>	<u>(193,235)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	428,395	185,688
Repayment of borrowings	(200,857)	(250,064)
Net cash provided by / (used in) financing activities	<u>227,538</u>	<u>(64,376)</u>
Net increase / (decrease) in cash and cash equivalents held	215,663	(94,940)
Cash and cash equivalents at beginning of year	<u>233,237</u>	<u>328,177</u>
Cash and cash equivalents at end of financial year	<u>448,900</u>	<u>233,237</u>

The accompanying notes form part of these financial statements.

Swansea Workers Co-Operative Club Limited

Notes to the Summary Financial Statements 30 June 2018

1 Summary of Significant Accounting Policies

The summary financial statements have been prepared from the audited financial report of Swansea Workers Co-operative Club Limited for the year ended 30 June 2018. The audited report for the year ended 30 June 2018 is available at request from Swansea Workers Co-operative Club Limited.

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

The accounting policies have been consistently applied to Swansea Workers Co-operative Club Limited and are consistent with those of the previous financial year in their entirety.

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

2 Revenue

	2018	2017
	\$	\$
Operating activities		
- Trading revenue	2,459,015	2,504,046
Other Revenue from Ordinary Activities		
- Interest received	775	1,158
- Membership subscriptions	20,707	22,894
- Rebate for GST on poker machine duty	17,180	17,180
- Bowling income	38,919	28,059
- Rent received - Restaurant	7,800	7,800
- Sundry income	24,629	18,981
- Commissions received	23,811	26,137
	<u>133,821</u>	<u>122,209</u>
Other revenue from non-operating activities		
- Proceeds from insurance claims	-	6,807
Total Revenue	<u>2,592,836</u>	<u>2,633,062</u>

3 Result for the Year

(a) Expenses

Write off of capital works in progress	27,534	-
Net (profit) / loss on disposal of property, plant and equipment	-	1,147

(b) Significant items

Proceeds from insurance claims (non-operating)	-	6,807
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Swansea Workers Co-operative Club Limited

ABN 65 261 562 336

Discussion and Analysis of the Summary Financial Statements

For the Year Ended 30 June 2018

Information on Swansea Workers Co-operative Club Limited Summary Financial Statements

The financial statements, disclosures and discussion and analysis in the summary financial statements have been derived from the 2018 financial statements of Swansea Workers Co-operative Club Limited.

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

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

Summary Statement of Profit or Loss and Other Comprehensive Income

The Club has recorded an operating loss after tax of \$148,613 for this year compared to a loss of \$81,912 last year.

In 2018, the Club has seen an increase in bar revenue of \$43k, but a decrease in poker machine revenue of \$97k. This decrease in poker machine revenue has also resulted in poker machine expenses decreasing by \$32k.

Electricity expense (included in occupancy expenses) has increased \$17k this year with higher rates.

The other item that has impacted on this year's result is capital works in progress that has been written off at 30 June 2018 that related to costs carried forward from 2014. The Club had been carrying forward \$28k relating to DA and planning costs.

The Club's EBITDA as a % of revenue result for 2018 is 6% compared to 7% last year.

Summary Statement of Financial Position

Total assets increased by \$18,570 to \$2.33 million representing an increase of 1%. This increase was mainly attributable to the following:

- Cash has increased \$216k this year.
- Other current assets has decreased \$70k with the timing of insurance prepayment.
- Property, plant and equipment has decreased \$123k. Capital additions this year totaled \$144k and depreciation was \$239k. Capital works in progress written off this year was \$28k.

Total liabilities increased by \$167,183 to \$760k representing an increase of 28%. This increase was mainly attributable to the following:

- Both short and long term borrowings in total have increased this year with new borrowings exceeding repayments.
- Short term provisions has decreased \$27k with staffing changes.

The Club's net asset position as at the 30 June 2018 is \$1.57 million and is represented by retained earnings.

Swansea Workers Co-operative Club Limited

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Discussion and Analysis of the Summary Financial Statements

For the Year Ended 30 June 2018

Summary Statement of Changes in Equity

The equity of the Club has decreased entirely due to the reported loss of \$148,613 in 2018.

Summary Statement of Cash Flows

Total cash flows have increased this year, with the Club reporting a cash increase of \$215,663.

Operating cash flows have decreased mainly due to the decrease in revenue this year.

Investing cash flows relate to capital additions totalling \$144k this year. These additions mainly relate to new air conditioning, roofing and kids room.

Financing cash flows relate to new borrowings of \$428k and the repayment of these and existing borrowings of \$201k.