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

Summary Financial Report  
For the Year Ended  
30 June 2020

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 2020 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 2020**

Your Directors present their report on Swansea Workers Co-Operative Club Limited for the year ended 30 June 2020.

### **Directors**

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

<b>Name</b>	<b>Position</b>	<b>Occupation</b>	<b>Years Service</b>
K. Rearden	President	Retired	7
G. Wall	Director	Retired	7
S. Price	Director	Business Owner	7
P. Williams	Director	Retired	2
R. Broadbent	Director	Retired	2
L. Farmer	Director	Employed	2
D. Wallace	Director	Retired	Appointed 28/05/2020
C. Hemaridis	-	-	Appointed 29/09/2019 Resigned 25/11/2019

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.

### **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 \$ 187,286 (2019: loss of \$58,839).

### **Review of operations**

Profit from bar trading amounted to \$294,022 and gross profit percentage of 60% was obtained from sales of \$879,885.

Net gaming revenue amounted to \$1,042,348 and compares with \$1,168,444 in 2019.

# **Swansea Workers Co-Operative Club Limited**

**ABN 65 261 562 336**

## **Directors' Report**

**30 June 2020**

### **Meetings of Directors**

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

	<b>Directors' Meetings</b>	
	<b>Number eligible to attend</b>	<b>Number attended</b>
K. Rearden	12	12
G. Wall	12	11
S. Price	12	8
P. Williams	12	12
R. Broadbent	12	12
L. Farmer	12	9
D. Wallace (Appointed 28/05/2020)	1	1
C. Hermaridis (Appointed 25/09/2019. Resigned 25/11/2019)	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.

On 23 March 2020 as a response to the management of the COVID-19 pandemic, the Club was directed to close. Refer to Note 1(b) in the financial statements for further information regarding the impacts of the closure. The Club reopened on 3 June 2020 subject to social distancing.

### **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 2020

### **Disclosure of Core and Non-Core Property**

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 30 June 2020:

<b>Address</b>	<b>Current Usage</b>	<b>Classification</b>
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 2020 has been received and can be found on page 4 of the financial report.

### **Mandatory Director Training**

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

The Board has deemed one Director, K. Rearden exempt based on time served on the Club's Board prior to 30 June 2013. L. Farmer, G. Wall, S. Price and D. Wallace are expecting to finalise their training at the next available training day, dated 30 September 2020. The remaining Directors have completed their training.

### **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:   
Keith Rearden

Director:   
G. Wall

Dated 30 July 2020

# Swansea Workers Co-Operative Club Limited

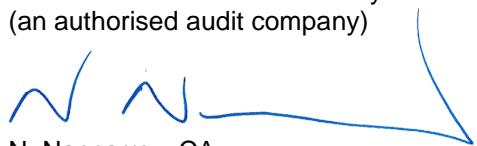
ABN 65 261 562 336

## Auditors Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 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.

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

  
N. Nancarrow CA  
Director

NEWCASTLE

23 July 2020

# Swansea Workers Co-Operative Club Limited

ABN 65 261 562 336

## Independent Audit Report to the Members of Swansea Workers Co-Operative Club Limited

### Report on the Financial Report

#### *Opinion*

The summary financial statements, which comprise the summary statement of financial position as at 30 June 2020, 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 2020.

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 2020.

#### *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 2020

# **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 2020, as set out on pages 7 to 14:

- (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 2020

# 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 2020

	2020	2019
Note	\$	\$
Bar sales	879,885	1,198,190
Less: Bar cost of goods sold	<u>(349,327)</u>	<u>(479,548)</u>
Gross profit	<b>530,558</b>	718,642
Gaming machine net clearances	1,042,348	1,168,444
Gaming commissions	62,727	80,910
Raffles and bingo income	124,125	183,766
Bowling income	28,152	40,463
Other income from contracts with customers	2      17,332	18,488
Other income from ordinary activities	2      219,095	66,434
Borrowing cost expense	(43,882)	(36,065)
Bar trading expenses	(236,536)	(312,816)
Gaming machine trading expenses	(204,545)	(204,297)
Gaming commission expenses	(107,077)	(138,798)
Raffle and bingo expenses	(164,995)	(233,826)
Bowling expenses	(113,979)	(114,222)
Club promotion and entertainment expenses	(166,104)	(242,785)
Occupancy expenses	(286,006)	(331,667)
Depreciation and amortisation expense	(394,184)	(284,983)
Administrative expenses	(494,330)	(428,595)
Other operating expenses from ordinary activities	-      (9,166)	-      (9,166)
<b>Profit / (loss) before income tax</b>	<b>(187,301)</b>	(60,073)
Income tax (expense)/benefit	15	1,234
<b>Profit / (loss) after income tax</b>	<b>(187,286)</b>	(58,839)
Other comprehensive income	-	-
<b>Total comprehensive income / (loss)</b>	<b>(187,286)</b>	(58,839)

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 2020

	2020	2019
	\$	\$
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	84,252	198,111
Trade and other receivables	53,356	19,773
Inventories	32,275	31,261
Other assets	1,436	7,862
<b>TOTAL CURRENT ASSETS</b>	<b>171,319</b>	<b>257,007</b>
NON-CURRENT ASSETS		
Financial assets	110	110
Property, plant and equipment	1,997,770	2,172,976
Right-of-use assets	61,924	-
Deferred tax assets	115,738	115,723
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,175,542</b>	<b>2,288,809</b>
<b>TOTAL ASSETS</b>	<b>2,346,861</b>	<b>2,545,816</b>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Trade and other payables	157,167	297,734
Short-term borrowings	96,021	177,824
Short-term provisions	64,599	60,118
Lease liabilities	18,799	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>336,586</b>	<b>535,676</b>
NON-CURRENT LIABILITIES		
Long-term borrowings	628,401	489,154
Long-term provisions	18,055	14,456
Lease liabilities	44,575	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>691,031</b>	<b>503,610</b>
<b>TOTAL LIABILITIES</b>	<b>1,027,617</b>	<b>1,039,286</b>
<b>NET ASSETS</b>	<b>1,319,244</b>	<b>1,506,530</b>
<b>EQUITY</b>		
Retained earnings	1,319,244	1,506,530
<b>TOTAL EQUITY</b>	<b>1,319,244</b>	<b>1,506,530</b>

# **Swansea Workers Co-Operative Club Limited**

ABN 65 261 562 336

## **Summary Statement of Changes in Equity For the Year Ended 30 June 2020**

**2020**

	<b>Retained Earnings</b>
	\$
<b>Balance at 1 July 2019</b>	<b>1,506,530</b>
Profit / (loss) attributable to members	<b>(187,286)</b>
<b>Balance at 30 June 2020</b>	<b><u>1,319,244</u></b>

**2019**

	<b>Retained Earnings</b>
	\$
<b>Balance at 1 July 2018</b>	<b>1,565,369</b>
Profit / (loss) attributable to members	<b>(58,839)</b>
<b>Balance at 30 June 2019</b>	<b><u>1,506,530</u></b>

# **Swansea Workers Co-Operative Club Limited**

ABN 65 261 562 336

## **Summary Statement of Cash Flows For the Year Ended 30 June 2020**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	2,557,828	2,750,136
Payment to suppliers and employees	(2,467,775)	(2,315,230)
Interest received	54	904
Finance costs	(43,882)	(36,065)
Net cash provided by / (used in) operating activities	<u>46,225</u>	<u>399,745</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(199,605)	(755,207)
Net cash provided by / (used in) investing activities	<u>(199,605)</u>	<u>(755,207)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	291,113	293,524
Repayment of borrowings	(233,669)	(188,851)
Repayment of leases	(17,923)	-
Net cash provided by / (used in) financing activities	<u>39,521</u>	<u>104,673</u>
Net increase / (decrease) in cash and cash equivalents held	(113,859)	(250,789)
Cash and cash equivalents at beginning of year	198,111	448,900
Cash and cash equivalents at end of financial year	<u>84,252</u>	<u>198,111</u>

# **Swansea Workers Co-Operative Club Limited**

## **Notes to the Summary Financial Statements**

**30 June 2020**

### **1 Summary of Significant Accounting Policies**

#### **(a) Basis of preparation**

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 2019. The audited report for the year ended 30 June 2020 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.

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

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

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

On 11 March 2020, the World Health Organisation (“WHO”) declared the Coronavirus disease 2019 (“COVID-19”) a pandemic. The pandemic has adversely affected the global economy, including an increase in unemployment, decrease in consumer demand, interruptions in supply chains, and tight liquidity and credit conditions. Consequently, governments around the world have announced monetary and fiscal stimulus packages to minimise the adverse economic impact. However, the COVID-19 situation is still evolving, and its full economic impact remains uncertain.

During the week beginning 16 March 2020, the Australian Government together with State and Territory Premiers announced a series of measures aimed at preventing the spread of COVID-19, which had the effect of impacting the state of the Australian economy (i.e. impact on supply chain, customers, availability of finance, consumer confidence, etc.).

Subsequent to these measures on 22 March 2020 it was announced that all registered clubs were to cease operating from midday the following day. The Club followed this directive and management stood down the vast majority of staff.

The Board and Management have implemented a range of operational and financial strategies in order to minimise the impact of this enforced closure including, but not limited to:

- Accessing available NSW and federal government stimulus measures to assist the Club's cashflow.
- Employing government initiatives, in particular with respect to ensuring that our employees can remain employed at the Club via JobKeeper payments.
- Cashflow tightening measures to ensure ongoing adequate cash reserves to trade through the impact, including reduction of operational expenditure and stalling of discretionary major projects at this time. Management have suspended and / or reduced contracts and supplier payments where possible.

The Board and Management also recognises that the situation associated with the management of COVID-19 continues to evolve on a daily basis. The Club reopened on 3 June 2020 subject to social distancing.

# Swansea Workers Co-Operative Club Limited

## Notes to the Summary Financial Statements

30 June 2020

### 2 Revenue

	2020	2019
	\$	\$
Revenue from contracts with customers		
- Trading revenue	<b>2,137,237</b>	2,671,773
Other revenue from contracts with customers		
- Membership subscriptions	17,332	18,488
Total revenue from contracts with customers	<b>2,154,569</b>	2,690,261
Other revenue from ordinary activities		
- Interest received	54	904
- Rent received - Restaurant	6,000	7,800
- Rebate for GST on gaming machine duty	17,180	17,180
- Commissions received	24,374	29,859
- Other income	9,487	10,691
- Federal Government cashflow boost	102,000	-
- Federal Government JobKeeper income	50,000	-
- NSW Government small business grant	10,000	-
Total other revenue from ordinary activities	<b>219,095</b>	66,434
Total revenue	<b>2,373,664</b>	2,756,695

### 3 Result for the Year

#### (a) Expenses

	2020	2019
	\$	\$
Loss on disposal of property, plant and equipment	-	9,166

# **Swansea Workers Co-Operative Club Limited**

**Discussion and Analysis of the Summary Financial Statements For the Year Ended 30 June 2020  
30 June 2020**

## **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 2020 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 \$187,286 for this year compared to a loss of \$58,839 last year.

This year, the Club has been impacted by COVID-19 with the Club requiring to close on 23 March 2020 and re-opened on 3 June 2020 subject to social distancing.

Prior to COVID-19, the Clubs results were quite strong from improved gaming machine performance and reduction in expenses.

The Club has received \$162,000 from government subsidies up to 30 June 2020 due to COVID-19.

Depreciation and amortisation has increased \$109,201 due to the Club upgrading facilities recently.

The Club's EBITDA as a % of revenue result for 2020 is 10.6% compared to 9.8% last year.

### **Summary Statement of Financial Position**

The main changes in assets and liabilities included:

- Cash has decreased \$114k.
- Trade and other receivables has increased \$32k due to JobKeeper receivable at 30 June 2020.
- Property, plant and equipment has decreased \$175k. Capital additions this year totaled \$200k and depreciation was \$375k.
- Right of use asset and lease liabilities (current and non current) have arisen this year due to the Club complying with AASB16 – Leases this year as required.
- Both short and long term borrowings in total have increased this year with new borrowings exceeding repayments.

All other asset and liabilities are comparable to last year.

# **Swansea Workers Co-Operative Club Limited**

**Discussion and Analysis of the Summary Financial Statements For the Year Ended 30 June 2020  
30 June 2020**

## **Summary Statement of Changes in Equity**

The equity of the Club has decreased entirely due to the reported loss of \$187,286 in 2020.

## **Summary Statement of Cash Flows**

The Club's cash position has decreased \$113,859 this year.

Operating cash flows have decreased and mainly due to the impact of COVID-19.

Investing cash flows relate to capital additions totaling \$200k this year. These additions mainly relate to solar installation, carpet, TV's and ice machine.

Financing cash flows relate to new borrowings of \$291k and the repayment of these and existing borrowings of \$233k. The Club also repaid lease liabilities of \$18k.