

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

Summary Financial Report
For the Year Ended
30 June 2021

CONTENTS

Directors' Report.....	1
Auditor's Independence Declaration.....	4
Independent Audit Report.....	5
Directors' Declaration.....	7
Summary Statement of Profit or Loss and Other Comprehensive Income.....	8
Summary Statement of Financial Position.....	9
Summary Statement of Changes in Equity.....	10
Summary Statement of Cash Flows.....	11
Notes to the Summary Financial Statements.....	12
Discussion and Analysis of the Summary Financial Statements.....	14

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 2021 full financial statements, including the independent audit report, is available to all members and will be sent to members without charge upon request.

Swansea Workers Co-Operative Club Limited

ABN 65 261 562 336

Directors' Report

30 June 2021

Your Directors present their report on Swansea Workers Co-Operative Club Limited for the year ended 30 June 2021.

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
K. Rearden	President	Retired	8
G. Wall	Director	Retired	8
S. Price	Director	Business Owner	8
P. Williams	Director	Retired	3
R. Broadbent	Director	Retired	3
L. Farmer	Director	Employed	3
D. Wallace	Director	Retired	1

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 during the financial year:

P. McDade (Secretary Manager) was the Club Secretary from June 2018 until April 2021. K. Rearden was the Club Secretary from April 2021 until the end of the financial year.

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 \$ 123,993 (2020: loss of \$187,286)

Review of operations

Profit from bar trading amounted to \$250,690 and gross profit percentage of 60% was obtained from sales of \$1,090,593.

Net gaming revenue amounted to \$1,331,537 and compares with \$1,042,348 in 2020.

Swansea Workers Co-Operative Club Limited

ABN 65 261 562 336

Directors' Report

30 June 2021

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
K. Rearden	12	12
G. Wall	12	11
S. Price	12	11
P. Williams	12	12
R. Broadbent	12	12
L. Farmer	12	10
D. Wallace	12	11

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 2021

Disclosure of Core and Non-Core Property

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 30 June 2021:

Address	Current Usage	Classification
9 Rawson Street Swansea NSW 2281	Club Premises	Core
6 Rawson Street Swansea NSW 2281	Car Park	Core

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2021 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.

All Directors have completed their training.

Indemnification and insurance of officers

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

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 22 July 2021

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 2021, 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

15 July 2021

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 Audit of the Financial Report

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 30 June 2021, 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 2021.

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 30 June 2021.

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*.

Swansea Workers Co-Operative Club Limited

ABN 65 261 562 336

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

Emphasis of Matter

We draw attention to Note 1(b) in the financial statements, which discusses the impact of COVID-19 on the Club's operations and finances. Our opinion is not modified in respect of this matter.

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



N. Nancarrow CA
Director

NEWCASTLE

23 July 2021

Newcastle 130 Parry Street (PO Box 694) Newcastle West NSW 2302 T 02 4926 8500 F 02 4926 1971 E cnmail@cutcher.com.au

Sydney Suite 1102, Level 11, 20 Berry Street (PO Box 251) North Sydney NSW 2059 T 02 9923 1817

Brisbane Suite 6, 38 Agnes Street (PO Box 91) Fortitude Valley QLD 4006 T 07 3268 4044

Liability Limited by a scheme approved under Professional Standards Legislation. Cutcher & Neale Assurance Pty Ltd ABN 37 126 556 330

Swansea Workers Co-Operative Club Limited

ABN 65 261 562 336

Directors' Declaration

In the Directors' opinion, the summary financial statements of Swansea Workers Co-Operative Club Limited for the financial year ended 30 June 2021, as set out on pages 8 to 14:

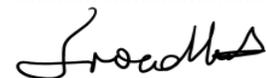
- a. comply with Accounting policies as described in Note 1; and
- b. have been derived from and are consistent with the full financial statements of Swansea Workers Co-Operative Club Limited.

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

Director.....



Director



Dated 22 July 2021

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 2021

	2021	2020
Note	\$	\$
Bar sales	1,090,593	879,885
Less: Bar cost of goods sold	(438,686)	(349,327)
Gross profit	<u>651,907</u>	<u>530,558</u>
Bistro sales	541,986	-
Less: Bistro cost of goods sold	(234,619)	-
Gross profit	<u>307,367</u>	<u>-</u>
Cafe sales	26,691	-
Less: Cafe cost of good sold	(18,660)	-
Gross profit	<u>8,031</u>	<u>-</u>
Gaming machine net clearances	1,331,537	1,042,348
Tab and Keno commissions	77,753	62,727
Raffles and bingo income	51,328	124,125
Bowling income	33,228	28,152
Other revenue from contracts with customers	2 13,108	17,332
Other revenue from ordinary activities	2 53,271	57,095
Other revenue from non-ordinary activities	2 166,250	162,000
Borrowing cost expense	(35,225)	(43,882)
Bar trading expenses	(401,217)	(236,536)
Bistro trading expenses	(462,307)	-
Cafe trading expenses	(37,895)	-
Gaming machine trading expenses	(235,352)	(204,545)
Tab and Keno expenses	(167,221)	(107,077)
Raffles and bingo expenses	(62,140)	(164,995)
Bowling expenses	(105,477)	(113,979)
Club promotion and entertainment expenses	(157,076)	(166,104)
Occupancy expenses	(234,305)	(286,006)
Depreciation and amortisation expense	(393,297)	(394,184)
Administrative expenses	(506,086)	(494,330)
Profit / (loss) before income tax	<u>(103,818)</u>	<u>(187,301)</u>
Income tax (expense)/benefit	(20,175)	15
Profit / (loss) after income tax	<u>(123,993)</u>	<u>(187,286)</u>
Other comprehensive income	-	-
Total comprehensive income / (loss)	<u>(123,993)</u>	<u>(187,286)</u>

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 2021

	2021	2020
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	156,562	84,252
Trade and other receivables	21,754	53,356
Inventories	62,250	32,275
Other assets	-	1,436
TOTAL CURRENT ASSETS	240,566	171,319
NON-CURRENT ASSETS		
Financial assets	110	110
Property, plant and equipment	2,354,942	1,997,770
Right-of-use assets	42,551	61,924
Deferred tax assets	95,563	115,738
TOTAL NON-CURRENT ASSETS	2,493,166	2,175,542
TOTAL ASSETS	2,733,732	2,346,861
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	255,522	157,167
Short-term borrowings	20,098	96,021
Short-term provisions	99,849	64,599
Lease liabilities	19,718	18,799
TOTAL CURRENT LIABILITIES	395,187	336,586
NON-CURRENT LIABILITIES		
Long-term borrowings	1,115,636	628,401
Long-term provisions	2,800	18,055
Lease liabilities	24,858	44,575
TOTAL NON-CURRENT LIABILITIES	1,143,294	691,031
TOTAL LIABILITIES	1,538,481	1,027,617
NET ASSETS	1,195,251	1,319,244
EQUITY		
Retained earnings	1,195,251	1,319,244
TOTAL EQUITY	1,195,251	1,319,244

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 2021

2021

	Retained Earnings
	\$
Balance at 1 July 2020	1,319,244
Profit / (loss) attributable to members	<u>(123,993)</u>
Balance at 30 June 2021	<u><u>1,195,251</u></u>

2020

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

The accompanying notes form part of these financial statements.

Swansea Workers Co-Operative Club Limited

ABN 65 261 562 336

Summary Statement of Cash Flows For the Year Ended 30 June 2021

	2021	2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	3,517,591	2,437,078
Payment to suppliers and employees	(3,279,021)	(2,467,775)
Interest received	47	54
Borrowing costs	(35,225)	(43,882)
Federal Government Cashflow Boost	50,000	50,000
Federal Government JobKeeper income	154,500	60,750
State Government small business grants	3,000	10,000
Net cash provided by / (used in) operating activities	<u>410,892</u>	<u>46,225</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(731,096)</u>	<u>(199,605)</u>
Net cash provided by / (used in) investing activities	<u>(731,096)</u>	<u>(199,605)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	1,068,023	291,113
Repayment of borrowings	(656,711)	(233,669)
Repayment of leases	<u>(18,798)</u>	<u>(17,923)</u>
Net cash provided by / (used in) financing activities	<u>392,514</u>	<u>39,521</u>
Net increase / (decrease) in cash and cash equivalents held	72,310	(113,859)
Cash and cash equivalents at beginning of year	<u>84,252</u>	<u>198,111</u>
Cash and cash equivalents at end of financial year	<u>156,562</u>	<u>84,252</u>

The accompanying notes form part of these financial statements.

Swansea Workers Co-Operative Club Limited

ABN 65 261 562 336

Notes to the Summary Financial Statements For the Year Ended 30 June 2021

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 2021. The audited report for the year ended 30 April 2021 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.

(b) Significant changes in the current report period

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

During the 2021 financial year, COVID-19 impacted the Club's trade in the following ways:

- Social distancing measures restricted the number of members and visitors the Club could admit for the period 1 July 2020 to 25 November 2020.
- The Club received JobKeeper for the period to September 2020 which enabled the Club to retain employees.

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

The Board and Management continue to monitor the continuing challenges that COVID-19 presents. Strategies will be engaged again if required to minimise the impact of COVID-19 on the Club's financial performance should government and health authorities direct businesses to restrict trade or close for a period of time.

Swansea Workers Co-Operative Club Limited

ABN 65 261 562 336

Notes to the Summary Financial Statements For the Year Ended 30 June 2021

2 Revenue

	2021	2020
	\$	\$
Revenue from contracts with customers		
- Trading revenue	3,153,116	2,137,237
Other revenue from contracts with customers		
- Membership subscriptions	13,108	17,332
Total revenue from contracts with customers	<u>3,166,224</u>	<u>2,154,569</u>
Other revenue from ordinary activities		
- Interest received	47	54
- Rent received - Restaurant	-	6,000
- Rebate for GST on gaming machine duty	17,180	17,180
- Commissions received	24,820	24,374
- Other income	11,224	9,487
Total other revenue from ordinary activities	<u>53,271</u>	<u>57,095</u>
Other revenue from non-ordinary activities		
- Federal Government Cashflow Boost	113,250	102,000
- Federal Government JobKeeper income	50,000	50,000
- NSW Government small business grants	3,000	10,000
Total other revenue from non-ordinary activities	<u>166,250</u>	<u>162,000</u>
Total revenue	<u><u>3,385,745</u></u>	<u><u>2,373,664</u></u>

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 2020 30 June 2021

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 2021 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 \$123,993 for this year compared to a loss of \$187,286 last year.

Similar to 2020, this year the Club has been impacted by COVID-19 with the Club being subject to social distancing measures for a significant portion of the year. With the closure period in 2020, it does make it difficult to compare 2021 to 2020, however the Club has seen good growth in bar sales and gaming machine net clearances (increase of \$211k and \$318k respectively).

The overall loss result has also been impacted by the Club's decision to commence bistro operations from 3 November 2020. Wages and expenditure have been high in this trading area, contributing to an overall loss from bistro trading of \$155k for the year.

The Club has received \$166k from government subsidies up to 30 June 2021 due to COVID-19.

The Club's EBITDA as a % of revenue result for 2021 is 9.6% compared to 10.6% last year.

Summary Statement of Financial Position

The main changes in assets and liabilities included:

- Cash has increased \$72k. Refer to point 4 below for cash movements.
- Trade and other receivables has decreased \$32k due to JobKeeper receivable at 30 June 2020.
- Inventories have increased \$30k with the addition of bistro and café stock in 2021.
- Property, plant and equipment has increased \$357k. Capital additions this year totaled \$731k and related to the new restaurant, deck and related equipment. Depreciation expense was \$374k.
- Trade and other payables have increased \$98k due to timing of invoices unpaid at 30 June 2021.
- Both short and long-term borrowings in total have increased this year with new borrowings exceeding repayments.

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 2020 30 June 2021

All other asset and liabilities are comparable to last year.

Summary Statement of Changes in Equity

The equity of the Club has decreased by the reported loss result of \$124k.

Summary Statement of Cash Flows

The Club's cash position has increased \$72k this year.

Operating cash flows have increased this year with 2020 being impacted by Club closure from COVID-19. This year the Club has seen good growth in revenue (bar and gaming machines) and the receipt of government subsidies.

Investing cash flows relate to capital additions totaling \$731k this year. These additions mainly relate to the new restaurant, deck and related equipment.

Financing cash flows relate to new borrowings of \$1.068m and the repayment of these and existing borrowings of \$657k. The Club also repaid lease liabilities of \$19k.