



**Raymond Terrace Bowling Club  
Co-operative Limited**

ABN 11 468 826 325

**Annual Financial Report  
for the year ended 31 March 2021**

# Raymond Terrace Bowling Club Co-operative Limited ACN 468 826 325

## Annual financial report for the year ended 31 March 2021

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These financial statements are the financial statements of Raymond Terrace 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 26 May 2021. The Directors have the power to amend and reissue the financial statements.



## ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the members of Raymond Terrace Bowling Club Co-operative Ltd will be held on Sunday, 11 July 2021, commencing at 11.00 am in the Club's Auditorium.

## BUSINESS ON THE AGENDA

- 1 To receive apologies
- 2 To remember departed members
- 3 To welcome visitors
- 4 To confirm the Minutes of the previous Annual General Meeting held on the 16 August 2020
- 5 To receive and consider for adoption the Directors' Report, Statement of Financial Position, Statement of Financial Performance and Auditor's Report
- 6 To set the Director's honoraria
- 7 *Life Membership – Moved Robert MacKay, seconded Gail Lewis that Michael Harriss be given Life Membership of Raymond Terrace Bowling Club Co-operative Limited*  
  
Life Member shall mean a member who, in consideration of long or meritorious service to the Club or for any other commendable reason, is elected at any General Meeting by at least two-thirds of the members who being present and entitled to vote do so vote in favour of the member becoming a Life member of the Club.
- 8 Presentation of 50 & 60 year membership badges  
  
50 years – Trevor Sutton
- 9 A response from the NDBA on behalf of the visitors
- 10 To declare the results of the election of the Board of Directors

By Order of the Board of Directors.

# Chief Executive Officer report

I am pleased to present the Annual Report to Members for the year ending 31<sup>st</sup> March 2021.

What a year it's been!!! We started our financial year closed and with the uncertainty as to when we would be able to open our doors, how would our staff and members get through this and how life will be after COVID-19! Fortunately as I write this report, things are starting to look up, probably not as quick as we would like, but certainly going in a better direction than May 2020.

As for the Club, our profit was \$1,311,743, an increase of 314% compared to the 2019/20 financial year. This profit was driven by a reduction in expenses in bowls and increase in gaming turnover and assistance from the Government stimulus of \$635,000. The net profit excluding the Government stimulus was \$676,743.

Our Club continues to support the local community with donations to charities and sporting organisations totalling \$32,252. This figure does not include the many in kind room donations to organisations like Rotary, Raymond Terrace RSL, War Widows etc where a further \$16,005 was donated. We also gave \$169,478 to members through promotions and give-aways this year. There was a slight decrease on this amount from last year due to the Club being closed due to COVID-19.

Throughout the year we have also reduced our loan with the CBA by \$578,000, purchased the property at 114 Port Stephens Street, and increased the land holdings on 112 Port Stephens Street.

Our bowlers over the last 12 months have had many months where they could not play. On resumption of the 2020 Championships, our bowlers got straight back into the winning feeling. The major honours for the Club for the year include:

- Winner NSWWBBA Pairs – Kate Matthews and Genevieve Delves
- Winner NSWWBBA Triples – Kate Matthews, Genevieve Delves and Natasha Van Eldik
- Runner-up NSWWBBA Singles – Genevieve Delves
- Winner NDBA Zone 2 Fours – S. Richards, T. Twining, C. Doust and M. Seargent
- Winner NDBA Zone 2 Singles- M. Seargent
- Winner NDBA Zone 2 Over 60's Singles – E. Ryan

It has been an interesting year and without the Board's support over the last 12 months, I do not know how the Management team would have been able to get through! The Board with Management are excited to be drawing up our Master Plan for the next 10 years and when drafts are finished are looking forward to showing our Members.

I would also like to thank the team of staff at Raymond Terrace Bowling Club. Every day throws a new challenge and we as a team are endeavouring to make your experience in our club an "awesome experience".

I would especially like to single out Tara Ball, our Operations Manager, for the tireless work that she has put in through these testing times. Tara took ownership of the continual changes to the COVID-19 legislation, from staff to COVID-19 rules inside the Club. It certainly tested her patience, but I do believe that the Club benefited from having her skills through this time.

I would finally like to thank the members for their patience and support through these testing times. I know it has not been easy for any of us, but as each time the Government changed what we could and couldn't do, you took it in your stride, with no complaints and kept supporting your club. I am sure with the continued support of members and guests, 2021/22 will be another successful year for Raymond Terrace Bowling Club.

# Donations report

## In Kind Donations

<b>Company</b>	<b>Total</b>
Aquatic Club	\$100
Atwea	\$450
Bowls Umpire Course	\$50
Club Grants Meeting	\$50
Croquet	\$245
Hume Housing	\$150
Ladies Probus Craft	\$1,950
Legacy	\$300
Lions Club	\$910
Lions Club	\$350
NDWBA Delegates	\$1,040
Onedoor Carer services	\$100
Photography Club	\$500
Port Hunter Zone Athletics	\$350
Port Stephens Council	\$125
Project Parkinsons	\$400
Quilters	\$950
Rotary	\$1,170
RSL	\$375
RSL Bowls	\$375
RT Athletics	\$450
RT Cricket Club	\$50
RT Soccer Club	\$150
RTJRLFC	\$815
St Brigids Netball Club	\$250
War Widows	\$150
Waratah Slimmers	\$100
WBNSW	\$250
Writers	\$1,000
Zumba	\$2,850
<b>Total In Kind Donations</b>	<b>\$16,005</b>

## Cash Donations

<b>Company</b>	<b>Total</b>
Chuck Duck	\$1,500
Heart Research Institute	\$300
Hunter Academy of Sport	\$3,201
Hunter Life Education	\$3,150
NDBA	\$50
Port Stephens Council	\$2,000
Raymond Terrace Athletics Club	\$4,000
Raymond Terrace District Cricket Club	\$5,000
Raymond Terrace Fire and Rescue	\$200
RSL Bowls	\$288
Raymond Terrace Junior Rugby League Football Club	\$5,000
St Brigid's Netball	\$2,500
Westpac Rescue Helicopter	\$3,563
Zone 6 RSL Bowls	\$1,500
<b>Total Cash Donation</b>	<b>\$32,252</b>

# Director's report

Your Directors present their report on Raymond Terrace Bowling Club Co-operative Limited (the Co-Operative) for the year ended 31 March 2021.

## Directors details

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

### Mr M. Harriss

Chairman  
Director since 2000  
Retired

### Mrs G. Lewis

Treasurer  
Director since 2015  
Retired

### Mr B. Grant

Director  
Director since 2017  
Manager

### Mr B. Gleeson

Vice Chairman  
Director since 2013  
Manager

### Mr S. Evans

Director  
Director since 2014  
Vehicle Builder

### Mr R. Mackay

Director  
Director since 2019  
Retired

## Company secretary

Jason Stokes has held senior positions with a number of Bowling Clubs, and has been in Management roles at Raymond Terrace Bowling Club Co-Operative Ltd for the past 14 years. He was promoted to the Chief Executive Officer position in June 2016.

## Director's 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 M. Harriss	15	12
Mr B. Gleeson	15	12
Mrs G. Lewis	15	13
Mr S. Evans	15	12
Mr B. Grant	15	13
Mr R. Mackay	15	15
Mr M. Aunger (Resigned 28/10/2020)	8	7

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 31 March 2021, the following land and buildings are considered to be:

### Core property

- 2 Jacaranda Avenue, Raymond Terrace
- 1 Swan Street, Raymond Terrace

### Non-core property

- 112 Port Stephens Street, Raymond Terrace
- 114 Port Stephens Street, Raymond Terrace
- 2 Swan Street, Raymond Terrace
- 35 Glenelg Street, Raymond Terrace
- 48 & 50 Sturgeon Street, Raymond Terrace

### Principal activities

During the year, the principal activities of the Co-Operative were the promotion of lawn bowls and the provision of amenities to members and their guests.

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

### Review of operations and financial results

As a result of the spread of COVID-19 the Federal Government announced restrictions around Club operations which saw trading operations cease for two months during the year with restricted trading after re-opening in June 2020. This has impacted the Co-Operative operations, with a reduction in revenue from operations of \$264,531 when compared to last year. The reduction in revenue was offset by reduced expenditure of \$577,379 driven by the reduction in activity along with cost saving measures implemented by the Co-Operative in response to the uncertainty as to when operations would return to full capacity. The reduced revenue from normal operations was also offset by Government stimulus programs which provided \$635,000 in additional revenue.

The operating profit/loss of the Co-Operative for the financial year after providing for income tax is set out below:

	2021	2020
	\$	\$
Revenue	5,944,488	5,526,938
Expenses	(4,632,745)	(5,210,124)
Profit before income tax	1,311,743	316,814
Income tax	-	-
Net profit	1,311,743	316,814

### Significant changes in state of affairs

No significant changes in the Co-Operatives 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 Co-Operative, the results of those operations, or the state of affairs of the Co-Operative in future financial years.

### Likely developments and expected results of operations

No new developments are anticipated in the operations of the Co-Operative. The expected results for future years are of growth in revenue whilst the Co-Operative will control costs wherever possible.

### Environmental regulation

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

### Dividends paid or recommended

No dividends have been paid or declared since the start of the financial year.

### Options

No options over issued shares or interests in the Co-Operative 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 Co-Operative 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 Co-Operative 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 Co-Operative 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 Co-Operative 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 Co-operatives National Regulations (NSW) 2014 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.



M. Harriss - Chairman



G. Lewis - Treasurer

**Dated: 26 May 2021**



## Auditor's independence declaration

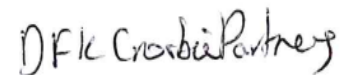
To the Directors of Raymond Terrace Bowling Club Co-operative Limited

In accordance with the requirements of Co-operatives National Regulations (NSW) 2014, as lead auditor for the audit of Raymond Terrace Bowling Club Co-operative Limited for the year ended 31 March 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 Co-operatives National Regulations (NSW) 2014 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Shaun Mahony - Partner



DFK Crosbie Partners  
Chartered Accountants

26 May 2021  
**Newcastle**

**Statement of profit or loss and other comprehensive income**

For the year ended 31 March 2021

		<b>2021</b>	<b>2020</b>
	Notes	<b>\$</b>	<b>\$</b>
<b>Revenue from continuing operations</b>	2	<b>5,152,670</b>	5,417,201
Other Income	3	<b>791,818</b>	109,737
Bar cost of goods sold		<b>(348,999)</b>	(427,943)
Bar direct expenses		<b>(246,763)</b>	(311,207)
Coffee shop direct expenses		<b>(70,448)</b>	(108,614)
Catering direct expenses		<b>(26,323)</b>	(27,867)
Gaming direct expenses		<b>(1,138,422)</b>	(1,262,639)
Bowls direct expenses		<b>(301,634)</b>	(494,237)
Hathaway & rectory direct expenses		<b>(104,803)</b>	(75,806)
Rental operations		<b>(45,689)</b>	(20,629)
Clubhouse expenses		<b>(989,886)</b>	(1,182,101)
Administration expenses		<b>(1,309,199)</b>	(1,238,794)
Finance costs		<b>(50,579)</b>	(60,287)
		<b>(4,632,745)</b>	(5,210,124)
<b>Profit / (loss) before income tax</b>		<b>1,311,743</b>	316,814
Income tax expense		-	-
<b>Profit / (loss) for the year</b>		<b>1,311,743</b>	316,814
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income / (loss) for the year</b>		<b>1,311,743</b>	316,814

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 31 March 2021

	Notes	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	567,831	564,742
Trade receivables	5	15,536	27,161
Inventories	6	83,559	70,857
Financial assets at amortised cost	7	671,758	644,023
Other assets	8	73,613	48,856
Assets held for sale	9	798,000	-
<b>Total current assets</b>		<b>2,210,297</b>	<b>1,355,639</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	9,845,565	10,908,159
Investment properties	11	1,965,000	1,100,000
Intangible assets	12	310,537	310,537
Right-of-use asset	13 (a)	72,760	-
<b>Total non-current assets</b>		<b>12,193,862</b>	<b>12,318,696</b>
<b>Total assets</b>		<b>14,404,159</b>	<b>13,674,335</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	14	397,268	424,689
Provisions	16	313,585	265,897
Other liabilities	17	24,981	26,348
Lease liabilities	13 (b)	17,450	-
<b>Total current liabilities</b>		<b>753,284</b>	<b>716,934</b>
<b>Non-current liabilities</b>			
Financial liabilities	15	593,059	1,168,849
Provisions	16	39,718	38,714
Other liabilities	17	10,085	14,253
Lease liabilities	13 (b)	56,733	-
<b>Total non-current liabilities</b>		<b>699,595</b>	<b>1,221,816</b>
<b>Total liabilities</b>		<b>1,452,879</b>	<b>1,938,750</b>
<b>Net assets</b>		<b>12,951,280</b>	<b>11,735,585</b>
<b>MEMBERS FUNDS</b>			
Reserves	18	360,959	457,007
Retained profits		12,590,321	11,278,578
<b>Total members funds</b>		<b>12,951,280</b>	<b>11,735,585</b>

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

**Statement of changes in equity**

For the year ended 31 March 2021

	<b>Reserves</b>	<b>Retained</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 April 2019</b>	457,007	10,961,764	11,418,771
Profit for the year	-	316,814	316,814
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>316,814</b>	<b>316,814</b>
<b>Balance at 31 March 2020</b>	<b>457,007</b>	<b>11,278,578</b>	<b>11,735,585</b>
Profit for the year	-	1,311,743	1,311,743
Revaluation increment/(decrement) on land and buildings	(96,048)	-	(96,048)
<b>Total comprehensive income for the year</b>	<b>(96,048)</b>	<b>1,311,743</b>	<b>1,215,695</b>
<b>Balance at 31 March 2021</b>	<b>360,959</b>	<b>12,590,321</b>	<b>12,951,280</b>

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

**Statement of cash flows**

For the year ended 31 March 2021

	2021	2020
	\$	\$
Notes		
<b>Cash flows from operating activities</b>		
Receipts from members and customers	5,694,299	5,976,293
Payments to suppliers and employees	(4,604,707)	(5,107,986)
Interest received	6,820	14,304
Interest paid	(50,579)	(60,287)
Government stimulus payments	635,000	-
<b>Net cash inflow (outflow) from operating activities</b>	<b>1,680,833</b>	<b>822,324</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(301,218)	(259,981)
Payments for intangibles	-	(55,803)
Payments for investment properties	(757,215)	-
Payments received from loan advanced	-	30,259
Transfer to/from interest bearing deposit	(26,754)	(18,109)
<b>Net cash inflow (outflow) from investing activities</b>	<b>(1,085,187)</b>	<b>(303,634)</b>
<b>Cash flows from financing activities</b>		
Proceeds from financial liabilities	300,000	-
Repayment of financial liabilities	(875,790)	(268,650)
Repayment of lease liabilities	(16,767)	-
<b>Net cash inflow (outflow) from financing activities</b>	<b>(592,557)</b>	<b>(268,650)</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,089</b>	<b>250,040</b>
Cash and cash equivalents at the beginning of the financial year	564,742	314,702
<b>Cash and cash equivalents at the end of the financial year</b>	<b>567,831</b>	<b>564,742</b>
4		

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

## Notes to the financial statements

For the year ended 31 March 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 Regulations (NSW) 2014. Raymond Terrace Bowling Club Co-operative Limited (the Co-Operative) 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, except for investment properties and land and buildings which have been measured at fair value. The financial report is presented in Australian Dollars.

#### (c) New and amended standards adopted by the Co-Operative

The Co-Operative has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2020:

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current

The principal accounting policies adopted are consistent with those of the previous financial year except for the policies stated below:

#### *AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*

The Co-Operative has adopted AASB 2020-1 'Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current' from 1 April 2020. AASB 2020-1 removes the requirement to classify a liability as current where there is not an unconditional right to defer settlement for a period of greater than 12 months, and requires any liability where the entity has the right to defer settlement at the end of the reporting period (e.g. by virtue of meeting any specified conditions such as loan covenants) to now be classified as non-current.

As a result of the adoption of AASB 2020-1, the Co-operative has classified its bank loan under non-current liabilities in the statement of financial position.

#### (d) Income Taxes

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

#### (e) 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.

#### (f) Rounding of amounts

The Co-Operative 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 31 March 2021

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

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

	Food and beverage revenue	Gaming revenue	Membership revenue	Raffle and bingo revenue	Bowls revenue	Other revenue	Total
2021	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	870,785	3,858,151	30,521	139,264	88,192	148,577	5,135,490
Other revenue (not under AASB15)	-	17,180	-	-	-	-	17,180
	<u>870,785</u>	<u>3,875,331</u>	<u>30,521</u>	<u>139,264</u>	<u>88,192</u>	<u>148,577</u>	<u>5,152,670</u>
<i>Timing of revenue recognition</i>							
At a point in time	870,785	3,875,331	-	139,264	88,192	148,577	5,122,149
Over time	-	-	30,521	-	-	-	30,521
	<u>870,785</u>	<u>3,875,331</u>	<u>30,521</u>	<u>139,264</u>	<u>88,192</u>	<u>148,577</u>	<u>5,152,670</u>

	Food and beverage revenue	Gaming revenue	Membership revenue	Raffle and bingo revenue	Bowls revenue	Other revenue	Total
2020	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	1,152,916	3,701,515	34,941	157,023	105,761	247,865	5,400,021
Other revenue (not under AASB15)	-	17,180	-	-	-	-	17,180
	<u>1,152,916</u>	<u>3,718,695</u>	<u>34,941</u>	<u>157,023</u>	<u>105,761</u>	<u>247,865</u>	<u>5,417,201</u>
<i>Timing of revenue recognition</i>							
At a point in time	1,152,916	3,718,695	-	157,023	105,761	247,865	5,382,260
Over time	-	-	34,941	-	-	-	34,941
	<u>1,152,916</u>	<u>3,718,695</u>	<u>34,941</u>	<u>157,023</u>	<u>105,761</u>	<u>247,865</u>	<u>5,417,201</u>

**(b) Accounting policies and significant judgements**

The Co-Operative 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 Co-Operative is or expects to be entitled in exchange for those goods or services.

The Co-Operative considers whether there are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. Loyalty Points Program). In determining the transaction price for the sale of goods, the Co-Operative 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 - food and beverage revenue*

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

*(ii) Provision of services - gaming revenue*

Revenue from rendering services from gaming facilities to members and guests of the Co-Operative 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. Commission income where the Co-Operative 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.

*(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.

**Notes to the financial statements**

For the year ended 31 March 2021

**(b) Accounting policies and significant judgements (continued)***(iv) Provision of services - raffle and bingo revenue*

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

*(v) 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 this point the performance obligations have been satisfied.

*(vi) Other revenue*

The Co-operative recognises other income at a point in time when the performance obligation has been satisfied.

**3 Other income and expense items**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Other income</b>		
Rental income - on Investment Properties	61,069	45,619
Interest income	7,387	13,814
Government stimulus payment - Cashflow boost	50,000	50,000
Government stimulus payment - JobKeeper	585,000	-
Gain on disposal of property, plant and equipment	-	304
Change in fair value of investment properties	88,362	-
	<u>791,818</u>	<u>109,737</u>

*(i) Rental income*

Rental income is recognised in the statement of profit or loss and other comprehensive income on a straight line basis over the term of the lease. The Co-Operative recognises rental revenue on a straight line basis with reference to the applicable CPI increases, discount rates and any relevant rental incentives.

*(ii) Interest income*

Interest income is recognised on an accruals basis.

*(iii) Government stimulus payments*

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

*(iv) Gain on disposal of property, plant and equipment*

The Co-Operative 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.

*(v) Change in fair value of investment properties*

The Co-Operative recognises the change in fair value of investment property based on the assessment of an independent expert, representing the non-cash gain in relation to investment properties.

**(b) Other expenses**

Employee benefits expense	1,492,077	1,473,583
Depreciation expense	442,131	459,407
Interest costs	50,579	60,287



**Notes to the financial statements**

For the year ended 31 March 2021

**4 Cash and cash equivalents**

	2021	2020
	\$	\$
<b>Current</b>		
Cash and cash equivalents	567,831	564,742
	<u>567,831</u>	<u>564,742</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.

**5 Trade receivables**

<b>Current</b>		
Trade receivables	15,536	27,161
	<u>15,536</u>	<u>27,161</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 Co-Operative 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**

<b>Current</b>		
Stock on hand - bar	64,035	53,391
Stock on hand - other	19,524	17,466
	<u>83,559</u>	<u>70,857</u>

**Accounting policy**

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

**7 Financial assets at amortised cost**

<b>Current</b>		
Term deposits	661,625	634,871
Other receivables	10,133	9,152
	<u>671,758</u>	<u>644,023</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**

<b>Current</b>		
Prepayments	73,613	48,856
	<u>73,613</u>	<u>48,856</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 31 March 2021

**9 Assets held for sale**

	<b>2021</b>	<b>2020</b>
	\$	\$

In 2021, Management committed to a plan to sell the Hathaway Bed & Breakfast property. The sale of the property has been negotiated and a sale is expected to be completed within the next 12 months. The property has therefore been classified as assets held for sale and is carried at fair value based on the expected sale price.

The following assets have been identified as part of the proposed sale:

Land and building	798,000	-
Total assets held for sale	798,000	-

**Accounting policy**

When the Co-operative intends to sell a non-current asset or a group of assets (a disposal group), and if sale within twelve (12) months is highly probable, the asset or disposal group is classified as 'held for sale' and presented separately in the statement of financial position.

Assets classified as 'held for sale' are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. Once classified as 'held for sale', the assets are not subject to depreciation or amortisation.

Any profit or loss arising from the sale or re-measurement of assets held for sale is presented as part of a single line item, profit or loss from assets held for sale.

**10 Property, plant and equipment**

	Greens \$	Land and buildings \$	Plant and equipment \$	Poker machines \$	Capital WIP \$	Total \$
<b>Non-current assets</b>						
<b>At 1 April 2020</b>						
Cost	1,927,996	9,452,300	2,442,076	2,601,896	36,390	16,460,658
Accumulated depreciation	1,243,021	86,542	1,992,468	2,230,468	-	5,552,499
Net book amount	684,975	9,365,758	449,608	371,428	36,390	10,908,159
<b>Year ended 31 March 2021</b>						
Opening net book amount	684,975	9,365,758	449,608	371,428	36,390	10,908,159
Additions	52,453	-	46,464	124,558	51,343	274,818
Reallocation to Assets held for sale	-	(798,000)	-	-	-	(798,000)
Transfer to Investment properties	-	-	-	-	(19,423)	(19,423)
Fair value adjustment	-	(96,048)	-	-	-	(96,048)
Depreciation charge	(53,987)	(43,212)	(98,752)	(227,990)	-	(423,941)
Closing net book amount	683,441	8,428,498	397,320	267,996	68,310	9,845,565
<b>Year ended 31 March 2021</b>						
Cost	1,975,557	8,428,498	2,484,543	2,585,448	68,310	15,542,356
Accumulated depreciation	1,292,116	-	2,087,223	2,317,452	-	5,696,791
Net book amount	683,441	8,428,498	397,320	267,996	68,310	9,845,565

**Accounting policy****(a) Land and buildings**

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Freehold land and buildings were valued on 31 March 2021 by O'Loughlin Valuers. O'Loughlin Valuers frequently assess the market values for properties similar to those held by the Co-Operative in the same areas, having regard to past sales prices of other properties and current market conditions. The directors have determined that the independent valuation is an appropriate basis to determine fair value of land and buildings at 31 March 2021.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the asset revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of gain on revaluation of land and buildings. All other decreases are charged to the statement of profit or loss and other comprehensive income.

**Notes to the financial statements**

For the year ended 31 March 2021

**10 Property, plant and equipment (continued)****(a) Land and buildings (continued)**

As the revalued buildings are depreciated, the difference between depreciation recognised in the income statement, which is based on the revalued carrying amount of the asset, and the depreciation based on the assets original cost is transferred from the revaluation surplus to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal costs, are valued and recognised at the fair value of the asset at the date it is acquired.

**(b) Plant and equipment**

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:

Greens	5 - 20 years
Buildings	5 - 50 years
Plant & equipment	2 - 10 years
Poker machines	2.5 - 5 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 property, 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 Co-Operative 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 profit or loss and other comprehensive income as a separate line item.

**11 Investment properties**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Non-current assets - at fair value</b>		
Opening balance at 1 April	1,100,000	1,070,000
Additions	757,215	-
Transfers from capital WIP	19,423	-
Net gain / (loss) from fair value adjustment	88,362	30,000
Closing balance at 31 March	<u>1,965,000</u>	<u>1,100,000</u>

**Accounting policy**

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition investment properties are stated at fair value. A market appraisal was performed by Steve Bates Real Estate as at 31 March 2021. The real estate agents frequently assess the market values for properties similar to those held by the Co-Operative in the same areas, having regard to past sales prices of other properties and current market conditions. Independent valuation from external experts is obtained in the intervening periods if necessary. Gains or losses arising from changes in the fair values of the investment properties are included in the statement of profit or loss and other comprehensive income in the year in which they arise.

Investment properties are no longer recognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the derecognition of an investment property are recognised in the statement of profit or loss and other comprehensive income in that year.

**Notes to the financial statements**

For the year ended 31 March 2021

**12 Intangible assets**

	Poker machine entitlements	Total
	\$	\$
<b>Non-current assets</b>		
<b>As at 31 March 2020</b>		
Cost	310,537	310,537
Accumulated amortisation	-	-
Net book amount	<u>310,537</u>	<u>310,537</u>
<b>Year ended 31 March 2021</b>		
Opening net book amount	<u>310,537</u>	<u>310,537</u>
Closing net book amount	<u>310,537</u>	<u>310,537</u>
<b>As at 31 March 2021</b>		
Cost	310,537	310,537
Accumulated amortisation	-	-
Net book amount	<u>310,537</u>	<u>310,537</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.

**13 Leases**

The Co-Operative leases a Point of Sale system.

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

Right-of-use assets

2021	2020
\$	\$
72,760	-

**Reconciliation of right-of-use assets****2020**

At 1 April 2020

Additions

Amortisation

**31 March 2021**

POS System	Total	Total
\$	\$	\$
-	-	-
90,950	90,950	-
18,190	18,190	-
<u>72,760</u>	<u>72,760</u>	<u>-</u>

**b) Lease liabilities****Current**

Lease liabilities

**Non-current**

Lease liabilities

**Total**

17,450	17,450	-
56,733	56,733	-
<u>74,183</u>	<u>74,183</u>	<u>-</u>

**Reconciliation of lease liabilities****2020**

At 1 April 2020

Additions

Interest expense

Lease payments

**Net movement during year****31 March 2021**

POS System	Total	Total
\$	\$	\$
-	-	-
90,950	90,950	-
3,333	3,333	-
(20,100)	(20,100)	-
<u>74,183</u>	<u>74,183</u>	<u>-</u>
<u>74,183</u>	<u>74,183</u>	<u>-</u>

**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.

**Notes to the financial statements**

For the year ended 31 March 2021

**13 Leases (continued)****Accounting policy (continued)**

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 Co-Operative's incremental borrowing rate. The weighted average incremental borrowing rate is 4%.

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 Co-Operative has only included the known CPI increases to date and not estimated future CPI-related increases.

The Co-Operative 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.

**14 Trade and other payables**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Trade payables	178,202	141,446
Other payables and accruals	219,066	283,243
	<u>397,268</u>	<u>424,689</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.

**15 Financial liabilities****Non-current***Secured*

Bank loans (i)	593,059	1,168,849
Total secured financial liabilities	<u>593,059</u>	<u>1,168,849</u>

*(i) Secured liabilities*

The above loans and lines of credit are secured by first mortgages over the Co-Operative's freehold land and buildings, including those classified as investment properties.

**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.

**Notes to the financial statements**

For the year ended 31 March 2021

**16 Provisions**

	2021	2020
	\$	\$
<b>Current</b>		
Employee entitlements (i) & (ii)	313,585	265,897
	<u>313,585</u>	<u>265,897</u>
<b>Non-current</b>		
Employee entitlements (ii)	39,718	38,714
	<u>39,718</u>	<u>38,714</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.

**17 Other liabilities**

	2021	2020
	\$	\$
<b>Current</b>		
Contract liabilities - membership income	24,981	20,793
Other liabilities	-	5,555
	<u>24,981</u>	<u>26,348</u>
<b>Non-current</b>		
Contract liabilities - membership income	10,085	14,253
	<u>10,085</u>	<u>14,253</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.

**18 Reserves**

	Asset revaluation	Total
	\$	\$
<b>Balance at 1 April 2020</b>	457,007	457,007
Revaluation of land and buildings	(96,048)	(96,048)
<b>Balance at 31 March 2021</b>	<u>360,959</u>	<u>360,959</u>

**(i) Nature and purpose of reserves****Asset revaluation**

The asset revaluation reserve is used to record increments and decrements on the revaluation of land and buildings classified as part of property, plant and equipment which are measured at fair value. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings.

**19 Commitments****(i) Capital Commitments**

Purchase of 110 Port Stephens street property	-	76,500
Purchase of gaming chairs	34,818	-
	<u>34,818</u>	<u>76,500</u>

**Notes to the financial statements**

For the year ended 31 March 2021

**20 Contingent liabilities**

	2021	2020
	\$	\$
Bank guarantee substituting for a security deposit for TAB facilities	5,000	5,000
Overdraft facility unused at year end	<u>100,000</u>	<u>110,000</u>

*Mortality Fund*

The Co-Operative conducts a mortality fund whereby each eligible member is entitled to have \$600 paid by the Co-Operative to his/her estate upon his/her death. No liability for this has been recognised in the financial statements, however at 31 March 2021 the Co-Operative's contingent commitment was \$39,600 (66 members). Payments to members are taken up as an expense in the year in which the payments are made.

At the date of this report any potential costs to settle the matter cannot be reliably quantified.

**21 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) <i>Key management personnel compensation</i>	2021	2020
	\$	\$
Total key management personnel benefits	<u>192,759</u>	<u>169,776</u>

*(b) Transactions with other related parties*

The wife of Director M. Harriss is employed by the Co-Operative under normal award terms and conditions.

The daughter of CEO J. Stokes is employed by the Co-Operative under normal award terms and conditions.

**22 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 10 and 12*) - The useful life of property, plant and equipment and intangible asset 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.
- Estimated fair value of investment properties (*note 11*) - the fair value of investment properties is estimated at each reporting date, based on independent assessments of the market value of the properties and the best available knowledge of current market prices. Estimation uncertainty exists and is related to the various assumptions used in determining the fair value.
- Estimated fair value of land and buildings (*note 10*) - The fair value of land and buildings is estimated at each reporting date, based on independent assessments of the market value of the property conducted at least every three years and other available knowledge of current market prices. Estimation uncertainty exists and is related to the various assumptions used in determining the fair value.

## 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) 2014, including:
  - (i) comply with Australian Accounting Standards - Reduced Disclosure Requirements, and the Co-operatives National Regulations (NSW) 2014.
  - (ii) giving a true and fair view of the Co-Operative's financial position as at 31 March 2021 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Co-Operative 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.



M. Harriss - Chairman



G. Lewis - Treasurer

Raymond Terrace  
26 May 2021



## **Independent auditor's report to the members of Raymond Terrace Bowling Club Co-operative Limited**

### **Opinion**

We have audited the financial report of Raymond Terrace Bowling Club Co-operative Limited (the Co-Operative) which comprises the statement of financial position as at 31 March 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 Co-Operative is in accordance with the Co-operatives National Law (NSW) 2014

- (i) giving a true and fair view of the Co-Operatives financial position as at 31 March 2021 and of its financial performance for the year then ended; and
- (ii) comply 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 Co-Operative in accordance with the auditor independence requirements of the Co-operatives National Regulations (NSW) 2014 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.

### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Co-Operative's annual report for the year ended 31 March 2021, but does not include the financial report and our auditor's report thereon. The other information provided at the date of this report comprises the Agenda, Chief Executive Officer Report and Donations Listing.

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

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

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

### **Responsibilities of the Directors for the financial report**

The Directors of the Co-Operative 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) 2014 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 Co-Operative'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 Co-Operative or to cease operations, or have no realistic alternative but to do so.

**Newcastle | Sydney**

Liability limited by a scheme approved under the Professional Standards legislation.

**Matters relating to the electronic presentation of the audited financial report**

The auditor's report relates to the financial report of the Co-Operative for the year ended 31 March 2021 included on the Co-Operative's web site. The Co-Operative's Directors are responsible for the integrity of the Co-Operative'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.

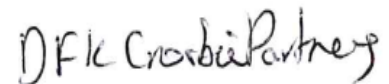
**Auditor's responsibilities for the audit of the financial report**

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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our audit report.



Shaun Mahony - Partner



DFK Crosbie Partners  
Chartered Accountants

26 May 2021  
Newcastle