

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
DIRECTORS' REPORT

Your directors present their report on the co-operative for the financial year ended 30 June 2020.

Directors

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

Jennifer Wrightson	William Fairfull
Leigh Northey	Diane Northey (appointed 20.10.19)
Leanne Way	Barry Haggarty (resigned 20.10.19)
Rebecca Bartlett (appointed 20.10.19)	James Critchley (resigned 20.10.19)
Colleen Barrass (appointed 20.10.19)	

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

Principal Activities

The principal activities of the co-operative during the financial year was that of a registered licensed club.

There were no significant changes in the nature of the co-operative's principal activities during the financial year.

Operating Results

The profit of the co-operative after providing for income tax amounted to \$56,018 (2019 loss \$24,362).

Review of Operations

Gross profit from bar trading amounted to \$271,888 and a gross profit percentage of 55.1% was obtained from sales of \$493,293 after members discounts. Net gaming profit amounted to \$781,058 compared to \$848,225 in 2019.

Significant Changes in State of Affairs

No significant changes in the nature of these activities occurred 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 co-operative, the results of those operations, or the state of affairs of the co-operative in future financial years.

Future Developments

Likely developments in the operations of the co-operative and the expected results of those operations in future financial years have not been included in this report.

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Environmental Issues

The co-operative's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Short and Long Term Objectives

The co-operative has established short and long term objectives which are 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.

Information on Directors

- Jennifer Wrightson — President
Experience — Mrs Wrightson was appointed President during the year and has been a board member for five years. Mrs Wrightson has previous board experience.
- Leigh Northey — Vice President
Experience — Mr Northey was appointed Vice President during the year and has been on the board for three years. Mr Northey is retired.
- William Fairfull — Director
Experience — Mr Fairfull has been on the board for fifteen years and has held the position of Vice President. He is semi-retired.
- Leanne Way — Director
Experience — Ms Way has been on the board for fifteen years. Ms Way has previous board experience.
- Diane Northey — Director
Experience — Mrs Northey was appointed to the board during the year. Mrs Northey is retired.
- Rebecca Bartlett — Director
Experience — Mrs Bartlett was appointed to the board during the year. Mrs Bartlett is a high school teacher.
- Colleen Barrass — Director
Experience — Mrs Barrass was appointed to the board during the year. Mrs Barrass has previous board experience. Mrs Barrass is retired.

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Directors' and Executive Officers' Emoluments

Since the end of the previous financial year no director of the co-operative has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the accounts, or the fixed salary of a full-time employee of the co-operative or a related corporation, by reason of a contract made by the co-operative or a related corporation with the director or with a firm of which he is a member, or with an entity in which he has a substantial financial interest.

Meetings of Directors

During the financial year meetings of directors (including committees) were held.
 Attendances were:

	DIRECTORS' MEETINGS	
	Number eligible to attend	Number Attended
Leanne Way	15	13
Barry Haggarty	5	4
William Fairfull	15	12
James Critchley	5	3
J Wrightson	15	14
L Northey	15	15
D Northey	10	10
C Barrass	10	5
R Bartlett	10	9

Indemnifying Officers

The co-operative 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 co-operative, other than conduct involving a wilful breach of duty in relation to the co-operative.

Disclosure of Core and Non-Core Property

Pursuant to Section 41J(2) of the Registered Clubs Act 1976 and for the financial year ended 30 June 2020, the Directors have determined that the property of the co-operative shall be classified as follows:

Address	Current usage	Classification
1 Government Road, Weston	Club premises	Core

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Proceedings on Behalf of Co-operative

No person has applied for leave of Court to bring proceedings on behalf of the co-operative or intervene in any proceedings to which the co-operative is a party for the purpose of taking responsibility on behalf of the co-operative for all or any part of those proceedings.

The co-operative was not a party to any such proceedings during the year.

Environmental Issues

The co-operative's operations are subject to environmental regulation under the law of the Commonwealth and State. The directors are not aware of any breaches of the legislation during the financial year which are material in nature.

Coronavirus Pandemic

On 11 March 2020, the World Health Organization declared a pandemic due to the spread of coronavirus across the world. Due to the spread of the coronavirus, global and local economies have been significantly affected, for example due to restrictions in production, trade and consumption or due to travel bans and social distancing requirements. Due to these effects, the co-operative was closed from 23 March 2020 to 5 June 2020. Therefore, income has been significantly impacted as a result of social distancing restrictions enacted during March 2020.

As of the date of this financial report, the board is unable to determine the future impact of the pandemic on the co-operative and the financial report. However, the co-operative has applied for government relief where available through the Job Keeper, Cashflow boost and small business Covid-19 support programmes. The Board and management continue to assess the situation on an ongoing basis.

The board is confident that the co-operative will be successful in navigating the challenges of the pandemic and accordingly, the board has prepared the financial report on a going concern basis. However, should circumstances arising from the pandemic such as long-term mandated closures of the club facilities occur, there is uncertainty on the ability of the co-operative to continue as a going concern and realise its assets and extinguish its liabilities in the ordinary course of business. No provision for such circumstances has been reflected in the financial report.

Signed in accordance with a resolution of the Board of Directors



Jennifer Wrightson - Director

Dated this 24th day of November 2020.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
STATEMENT OF COMPREHENSIVE INCOME
THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Revenues from contracts with customers	2	1,687,788	2,045,329
Other revenue from ordinary activities	2	258,578	181,741
Changes in inventories		(1,253)	(1,234)
Purchases – bar		(216,238)	(278,075)
Employee benefits expenses		(597,309)	(602,174)
Depreciation and amortisation expenses	3	(155,310)	(156,071)
Borrowing costs expenses	3	(24,661)	(31,572)
Electricity and gas		(72,475)	(83,750)
Donations, sponsorships and sporting clubs		(26,617)	(34,813)
Member benefits, discounts, entertainment and promotion expenses		(444,554)	(589,319)
Poker machine duty		(15,401)	(47,757)
Insurance		(74,368)	(70,577)
Other expenses		(262,162)	(356,090)
Profit/(Loss) before income tax	3	<u>56,018</u>	<u>(24,362)</u>
Income tax expense	4	-	-
Profit/(Loss) after income tax		<u>56,018</u>	<u>(24,362)</u>

The above income statement should be read in conjunction with the accompanying notes.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	6	156,364	109,506
Receivables	7	84,330	21,595
Inventories	8	15,909	17,162
Other current assets	9	71,911	63,357
TOTAL CURRENT ASSETS		<u>328,514</u>	<u>211,620</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	2,816,948	2,940,297
Right of use asset	11	50,095	-
TOTAL NON-CURRENT ASSETS		<u>2,867,043</u>	<u>2,940,297</u>
TOTAL ASSETS		<u>3,195,557</u>	<u>3,151,917</u>
CURRENT LIABILITIES			
Payables	12	108,221	153,617
Borrowings	13	149,640	221,578
Lease liability	14	26,280	-
Provisions	15	494	442
TOTAL CURRENT LIABILITIES		<u>284,635</u>	<u>375,637</u>
NON-CURRENT LIABILITIES			
Borrowings	13	394,503	328,967
Lease liability	14	13,882	-
Provisions	15	3,805	4,998
Non-interest bearing liabilities	16	1,228	2,570
TOTAL NON-CURRENT LIABILITIES		<u>413,418</u>	<u>336,535</u>
TOTAL LIABILITIES		<u>698,053</u>	<u>712,172</u>
NET ASSETS		<u>2,497,504</u>	<u>2,439,745</u>
EQUITY			
Reserves	17	18,958	17,217
Retained profits		2,478,546	2,422,528
TOTAL EQUITY		<u>2,497,504</u>	<u>2,439,745</u>

The above balance sheet should be read in conjunction with the accompanying notes.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Note	Retained Earnings	Share Forfeiture Reserve	Total
		\$	\$	\$
2020				
Balance 1 July 2019		2,422,528	17,217	2,439,745
Shares forfeited during the year	16	-	1,741	1,741
Profit/(loss) attributable to members		56,018	-	56,018
Balance 30 June 2020		<u>2,478,546</u>	<u>18,958</u>	<u>2,497,504</u>
2019				
Balance 1 July 2018		2,446,890	16,718	2,463,608
Shares forfeited during the year	16	-	499	499
Profit/(loss) attributable to members		(24,362)	-	(24,362)
Balance 30 June 2019		<u>2,422,528</u>	<u>17,217</u>	<u>2,439,745</u>

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

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		2,053,530	2,427,722
Payments to suppliers and employees		(1,831,713)	(2,118,687)
Interest received		-	15
Borrowing costs		(24,661)	(31,572)
GST paid		(102,401)	(108,490)
Net cash provided by (used in) operating activities	19b	<u>94,755</u>	<u>168,988</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		-	14,497
Payment for property, plant and equipment		(24,804)	(118,165)
Net cash provided by (used in) investing activities		<u>(24,804)</u>	<u>(103,668)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		399	524
Proceeds from borrowings		68,713	88,973
Repayment of borrowings		(75,030)	(208,848)
Repayment of leave liabilities		(17,090)	-
Net cash provided by (used in) financing activities		<u>(23,008)</u>	<u>(119,351)</u>
Net increase(decrease) in cash held		46,943	(54,031)
Cash at beginning of year		<u>109,421</u>	<u>163,452</u>
Cash at end of year	19a	<u>156,364</u>	<u>109,421</u>

The above cash flow statement should be read in conjunction with the accompanying notes.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Co-operatives National Law (NSW).

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Covid-19 Pandemic

On 11 March 2020, the World Health Organization declared a pandemic due to the spread of coronavirus across the world. Due to the spread of the coronavirus, global and local economies have been significantly affected, for example due to restrictions in production, trade and consumption or due to travel bans and social distancing requirements. Due to these effects, the co-operative was closed from 23 March 2020 to 5 June 2020. Therefore, income has been significantly impacted as a result of social distancing restrictions enacted during March 2020.

Notwithstanding the impact of the pandemic, the financial statements have been prepared on a going concern basis which contemplates the realisation of assets and extinguishment of liabilities in the ordinary course of business.

As of the date of this financial report, the board is unable to determine the future impact of the pandemic on the co-operative and the financial report. However, the co-operative has applied for government relief where available through the Job Keeper, Cashflow boost and small business Covid-19 support programmes. The Board and management continue to assess the situation on an ongoing basis.

The board is confident that the co-operative will be successful in navigating the challenges of the pandemic and accordingly, the board has prepared the financial report on a going concern basis. However, should circumstances arising from the pandemic such as long-term mandated closures of the club facilities occur, there is uncertainty on the ability of the co-operative to continue as a going concern and realise its assets and extinguish its liabilities in the ordinary course of business. No provision for such circumstances has been reflected in the financial report.

(c) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the co-operative.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(c) Critical accounting estimates and judgments (Cont'd)

Key estimates - impairment

The co-operative assesses impairment at the end of the reporting year by evaluating conditions specific to the co-operative that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(d) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(e) Income tax

Income tax is brought to account on the basis of tax payable. The concepts of mutuality are applied.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of twelve months, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(g) Investments and other financial assets

1) Classification

The co-operative classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the co-operative's business model for managing the financial assets and the contractual terms of the cash flows.

The co-operative is using the measured at amortised cost method for all its financial assets, namely trade and other receivables. Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(g) Investments and other financial assets (cont'd)

ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, the date on which the co-operative commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the co-operative has transferred substantially all the risks and rewards of ownership.

iii) Measurement

Subsequent to initial recognition, financial assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment for expected credit losses are recognised in the profit or loss. Gain or loss on derecognition is recognised in profit or loss.

iv) Impairment

Impairment of financial assets is recognised on an expected credit loss (ECL) – forward looking – basis for all financial assets measured at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The co-operative considers reasonable and supportable information that is relevant and available, including both quantitative and qualitative information and analysis based on the co-operative's historical experience and informed credit assessment, including forward looking information.

Credit losses are measured as the present value of the difference between the cash flows due to the co-operative in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

(h) Financial liabilities

i) Classification

The co-operative classified its financial liabilities as those to be measured at amortised cost.

The co-operative is using the measured at amortised cost method for all its financial liabilities. The financial liabilities of the co-operative comprise trade payables and asset finance.

Liabilities measured at amortised cost are financial liabilities where the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Recognition and derecognition

The co-operative measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The co-operative realizes financial liabilities when, and only when, the co-operative's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability recognized and the consideration paid and payable is recognized in profit or loss.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(i) Revenue and other income

The co-operative recognises revenue when it transfers control over a product or service to a customer. Revenue is measured based on the amount of consideration expected to be received in exchange for the transfer of the good or service to the customer.

Revenue from contracts with customers

Revenue from the sale of goods is recognized at the point of delivery.

Revenue from the rendering of a service is recognized upon the delivery of the service to the customers.

Gaming machine revenue is realized at the point of sale and represents the amounts earned through gaming wagers.

Revenue from membership subscriptions are recognized on a straight line basis over the financial year.

Other revenue

Interest revenue is recognized on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

(j) Trade and other receivables

Trade receivables are recognized and carried at original invoice amount less an allowance for any uncollectable amounts.

(k) Inventories

Inventories are measured at the lower of cost and net realizable value.

(l) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(l) Property, plant and equipment

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line and diminishing basis over the asset's useful life to the co-operative commencing from the time the asset is held ready for use. Land is not depreciated.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	1% - 2.5%
Plant and Equipment	10%
Motor Vehicles	12.5%
Poker Machines	12.5%
Furniture and Fittings	10%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

(m) Impairment of non-financial assets

At the end of each reporting period, the co-operative assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

(n) Trade and other payables

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the co-operative during the reporting period which remain unpaid at balance date. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(o) Employee benefits

Provision is made for the co-operative's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured as the present value of expected future cash payments, taking into consideration expected future wage levels and experience of employees departures and periods of service. Government bond rates with terms that match, as closely as possible, the estimated future cash outflows were used in calculation.

(p) Leases

Comparative year

Leases of plant and equipment where the co-operative, as lessee, had substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the fair value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the co-operative will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Leases are not recognized in the statement of financial position for the comparative year only.

Current year

As explained in Note 1(s) below with the adoption of AASB 16: Leases, the co-operative has changed its accounting policy for leases where the co-operative is the lessee. The new policy, is described at Note 1(s).

(q) Gaming Machine Rebate

The co-operative received a rebate to compensate the loss of gaming machine income due to the introduction of GST. The period which the rebate relates is from 1 September 2019 to 31 August 2020.

(r) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(s) Adoption of new and revised accounting standards

During the current year, the co-operative adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The co-operative applies, for the first time, AASB 16 Leases. The application of the new accounting standard did not require current period or retrospective adjustments.

AASB 16: Leases

The co-operative has adopted AASB 16: Leases with a date of initial application of 1 July 2019. As a result, the co-operative has changed its lease accounting policy as detailed in the significant accounting policies note.

AASB 16 replaces the provisions of AASB 117: Leases and provides a new lessee accounting model. The new model requires a lessee to recognise a right of use asset and lease liability for all leases with a term of more than 12 months, unless the underlying asset is of low value. Lessor accounting remains the same under AASB 16 when compared to the requirements of AASB 117.

Under AASB 16, a lessee is required to recognise, at the commencement date of the lease, the present value of non-cancellable lease payments as a lease liability on the statement of financial position with a corresponding right-of-use asset. The unwind of the financial charge on the lease liability and the amortisation of the leased asset are recognised in the statement of comprehensive income based on the incremental borrowing rate and contract term respectively.

The co-operative did not restate prior year amounts reported, electing to use the modified retrospective approach at 1 July 2019 with the opening right-of-use asset for each lease equal to the corresponding lease liability.

Upon adoption of AASB 16, lease liabilities of \$57,252 were recognised at 1 July 2019. The co-operative also applied the practical expedient of accounting for operating leases with a remaining term of less than 12 months at the 1 July 2019 as short term leases.

(t) Authorisation of Financial Statements

The financial statements were authorised for issue on 24th November 2020 by the Directors.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
 ABN 65 053 198 599
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

	2020	2019
	\$	\$
NOTE 2: REVENUE		
From contracts with customers		
— Sale of goods	570,452	719,489
— Gaming revenue	904,887	1,057,895
— Raffle and bingo	197,254	258,457
— Membership subscriptions	10,195	9,488
	<u>1,682,788</u>	<u>2,045,329</u>
Other Revenue from ordinary activities		
— Wage subsidy	5,607	20,464
— Interest	-	15
— Insurance recovery	-	11,090
— GST rebate	17,180	17,180
— Commissions	72,064	105,267
— Rent	7,273	10,909
— Jobkeeper and covid support	146,635	-
— Other sundry income	9,819	16,816
	<u>258,578</u>	<u>181,741</u>
Total Revenue	<u>1,941,366</u>	<u>2,227,070</u>

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2020

NOTE 3: PROFIT FOR THE YEAR	2020	2019
Expenses:	\$	\$
Cost of sales	<u>221,405</u>	<u>283,315</u>
Borrowing costs		
— other persons	<u>24,661</u>	<u>31,572</u>
Depreciation of non-current assets		
— buildings	62,748	62,728
— plant and equipment	19,729	21,699
— motor vehicles	4,102	4,102
— poker machines	46,615	51,645
— furniture and fittings	14,959	15,897
— right of use assets	7,157	-
	<u>155,310</u>	<u>156,071</u>
Net Profit/(loss) on disposal of property, plant and equipment	<u>-</u>	<u>(20,208)</u>

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2020

	2020	2019
NOTE 4: INCOME TAX EXPENSE	\$	\$

(a) Income tax expense

Income tax expense is attributable to:

Profit from continuing operations	-	-
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(b) Reconciliation of income tax expense to prima facie tax payable

The Income Tax Assessment Act 1936 (amended) provides that under the concept of mutuality clubs are only liable for income tax derived from non-members and from outside entities. The amount set aside for income tax in the income statement has been provided on a taxable income calculated as follows:

Taxable income attributed to non-members	-	20,771
Tax at the Australian tax rate 27.5% (30%)	-	6,231
Tax losses recouped previously not booked	-	(6,231)
	-	-

(c) Unrecognised tax losses

Gross unrecognised tax losses of \$109,992 have not been booked in the current year.

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to key management personnel of the Co-Operative during the year are as follows:

Key management personnel compensation	131,726	116,512
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NOTE 6: CURRENT ASSETS - CASH AND CASH EQUIVALENTS

Cash at bank	95,616	41,183
Cash on hand	60,748	68,323
	156,364	109,506

NOTE 7: CURRENT ASSETS – RECEIVABLES

Other debtors	69,610	15,470
GST Refundable	14,720	6,125
	84,330	21,595

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2020

	2020	2019
NOTE 8: CURRENT ASSETS - INVENTORIES	\$	\$
Stock on hand at cost	15,909	17,162
	<hr/>	<hr/>
NOTE 9: CURRENT ASSETS – OTHER ASSETS		
Prepayments	71,911	63,357
	<hr/>	<hr/>
NOTE 10: PROPERTY, PLANT AND EQUIPMENT		
Freehold land at cost	85,496	85,496
	<hr/>	<hr/>
Buildings, at cost	3,028,876	3,028,876
Less accumulated depreciation	(870,084)	(807,336)
	<hr/>	<hr/>
	2,158,792	2,221,540
	<hr/>	<hr/>
Total land and buildings	2,244,288	2,307,036
	<hr/>	<hr/>
Plant and equipment, at cost	666,184	646,812
Less accumulated depreciation	(497,066)	(477,337)
	<hr/>	<hr/>
	169,118	169,475
	<hr/>	<hr/>
Motor vehicles, at cost	32,814	32,814
Less accumulated depreciation	(19,487)	(15,385)
	<hr/>	<hr/>
	13,327	17,429
	<hr/>	<hr/>
Furniture and fittings, at cost	511,881	506,449
Less accumulated depreciation	(390,188)	(375,229)
	<hr/>	<hr/>
	121,693	131,220
	<hr/>	<hr/>
Poker machines, at cost	1,096,445	1,096,445
Less accumulated depreciation	(827,923)	(781,308)
	<hr/>	<hr/>
	268,522	315,137
	<hr/>	<hr/>
Total Plant and Equipment	572,660	633,261
	<hr/>	<hr/>
Total Property, Plant and Equipment	2,816,948	2,940,297
	<hr/>	<hr/>

The licensed premises located at 1 Government Road, Weston is the core property of the Club. The club has no non-core property.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2020

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land \$	Buildings \$	Plant and equipment \$	Motor vehicles \$	Poker machines \$	Furniture and fittings \$	Total \$
At 1 July 2019							
- Cost	85,496	3,028,876	646,812	32,814	1,096,445	506,449	5,396,892
- Valuation	-	-	-	-	-	-	-
Accumulated depreciation	-	(807,336)	(477,337)	(15,385)	(781,308)	(375,229)	(2,456,595)
Net book value	85,496	2,221,540	169,475	17,429	315,137	131,220	2,940,297
Year ended 30 June 2020							
Opening net book value	85,496	2,221,540	169,475	17,439	315,137	131,220	2,940,297
Additions	-	-	19,372	-	-	5,432	24,804
Disposals	-	-	-	-	-	-	-
Depreciation charge	-	(62,748)	(19,729)	(4,102)	(46,615)	(14,959)	(148,153)
Closing net book value	85,496	2,158,792	169,118	13,327	268,522	121,693	2,816,948
At 30 June 2020							
- Cost	85,496	3,028,876	666,184	32,814	1,096,445	811,881	5,421,696
- Valuation	-	-	-	-	-	-	-
Accumulated depreciation	-	(870,084)	(497,066)	(19,487)	(827,923)	(390,188)	(2,604,748)
Net book value	85,496	2,158,792	169,118	13,327	268,522	121,693	2,816,948

NOTE 9: NON CURRENT ASSETS – RIGHT OF USE ASSET

	2020 \$	2019 \$
The companies lease portfolio includes equipment. These leases have a term of 3 years.		
Leased equipment	57,252	-
Less accumulated depreciation	(7,157)	-
	<u>50,095</u>	-

AASB 16 related amounts recognised in the statement

Amortisation change related to right of use assets	7,157	-
Interest expense on lease liabilities	430	-
Short-term expense	24,150	-

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2020

	2020	2019
NOTE 12: CURRENT LIABILITIES – PAYABLES	\$	\$
Trade creditors and accrued expense	53,983	107,332
Employee entitlements	52,019	541,694
Subscriptions in advance	2,219	4,591
	<u>108,221</u>	<u>153,617</u>

NOTE 13: LIABILITIES – BORROWINGS

CURRENT

Bank overdraft	-	85
Loan – ANZ Bank (a)	80,496	150,484
Loan – Insurance Funding (b)	69,144	62,625
Loan – SG Gaming (c)	-	8,384
	<u>149,640</u>	<u>221,578</u>

NON-CURRENT

Loan – ANZ Bank (a)	394,503	328,967
	<u>394,503</u>	<u>328,967</u>

Total borrowings	<u>544,142</u>	<u>550,545</u>
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(a) The loan was refinanced on 5 June 2020. The term is 7 years and is scheduled to mature 5 June 2027.

The security provided is a first registered mortgage over the property situated at 1 Government Road, Weston and a general security agreement of all present and after acquired property.

(b) Unsecured loan to fund annual insurance premiums and will be repaid over 10 months.

(c) Interest free loan to fund purchase of poker machine. Secured over the equipment financed for a 12 month term. Final payment was in September 2019.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2020

	2020	2019
NOTE 14: LIABILITIES – LEASE LIABILITIES	\$	\$
CURRENT		
Lease - Aristocrat	26,280	-
	<hr/>	<hr/>
NON-CURRENT		
Lease - Aristocrat	13,882	-
	<hr/>	<hr/>

The leases relate to poker machines and were recognised in accordance with AASB16 on 1 July 2019. The remaining terms are 13 months and 24 months.

NOTE 15: LIABILITIES - PROVISIONS

CURRENT		
Player bonus points	494	442
	<hr/>	<hr/>
NON-CURRENT		
Employee entitlements	3,805	4,998
	<hr/>	<hr/>

NOTE 16: NON - INTEREST BEARING LIABILITIES

2,503 fully paid shares of \$1 each	1,204	2,546
7 fully paid shares of \$6 each	24	42
	<hr/>	<hr/>
	1,228	2,570
	<hr/>	<hr/>

NOTE 17: RESERVES

Forfeited shares	15a	18,958	17,217
		<hr/>	<hr/>
a. Forfeited shares reserve			
Opening balance		17,217	16,718
Shares forfeited during the year		1,741	499
		<hr/>	<hr/>
Closing balance		18,958	17,217
		<hr/>	<hr/>

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2020

NOTE 18: CAPITAL AND LEASING	2020	2019
COMMITMENTS	\$	\$
Operating Lease Commitments payable:		
- Not later than 1 year	18,226	52,386
- Later than 1 year but not later than 5 years	42,612	90,155
Total operating lease commitments	<u>60,838</u>	<u>142,541</u>

Operating lease commitments are:

- (i) SENPOS Touch colour terminal. The operating lease is non cancellable with a five year term, with rent paid in arrears. Due to finalise in August 2025.
- (ii) PMFA – Photocopier. The operating lease is non cancellable with a five year term, with rent paid in arrears. Due to finalise in April 2024.
- (iii) Aristocrat Poker Machine. The operating lease is non cancellable with a three year term, with rent paid in arrears. Due to finalise in July 2021.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2020

	2020	2019
	\$	\$
NOTE 19: CASH FLOW INFORMATION		
a. Reconciliation of Cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:		
Cash at bank	95,616	41,183
Cash on hand	60,748	68,323
	<u>156,364</u>	<u>109,506</u>
Less: Bank Overdraft	-	85
	<u>156,364</u>	<u>109,421</u>
b. Reconciliation of Cash Flow from Operations with Profit from ordinary activities after income tax		
Profit/(Loss) from ordinary activities after income tax	56,018	(24,362)
Non-cash flows in profit from ordinary activities:		
— Depreciation	155,310	156,071
— Net loss/(profit) on disposal of plant and equipment	-	20,208
Changes in assets and liabilities,		
— Decrease/(Increase) in receivables	(62,735)	(7,959)
— Decrease/(Increase) in inventories	1,253	1,234
— Decrease/(Increase) in prepayments	(8,554)	10,739
— (Decrease)/Increase in payables	(45,396)	9,588
— (Decrease)/Increase in provisions	(1,141)	3,469
Cash flows from operations	<u>94,755</u>	<u>168,988</u>

c. Non-Cash Financing and Investing Activities

The co-operative did not have any non cash transactions during the year.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2020

NOTE 20: RELATED PARTY TRANASACTIONS

The co-operative's main related parties are as follows:

a. Key Management Personnel of the Club

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the co-operative, directly or indirectly, including any Director (whether executive or otherwise) of the co-operative, is considered key management personnel. Refer to Note 5.

b. Other Related Parties of the Co-operative

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Transactions and Outstanding Balances with Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. There were no transactions occurred with related parties during the year.

NOTE 19: SEGMENT REPORTING

The entity operates as a licensed club in the hospitality industry in NSW, Australia.

NOTE 20: CO-OPERATIVE DETAILS

The principal place of business is: 1 Government Road, Weston NSW 2326.

The principal activities of the co-operative are a registered licensed club.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599

DIRECTORS' DECLARATION

The directors of the co-operative declare that:

The financial statements and notes, as set out on pages 5 to 25:

1. Presents a true and fair view of the financial position of Weston District Workers' Co-operative Club Limited as at 30 June 2020 and its performance for the year ended on that date in accordance with Co-operatives National Law (NSW) and the Australian Accounting Standards – Reduced Disclosure Requirements.
2. At the date of this statement, there are reasonable grounds to believe that Weston District Workers' Co-operative Club Limited will be able to pay its debts as and when they fall due.

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



Jennifer Wrightson - Director

Dated this 24th day of November 2020

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599

COMPILATION REPORT

On the basis of the information provided by the directors of Weston District Workers' Co-operative Club Limited, we have compiled, in accordance with APS 9: Statement of Compilation of Financial Reports the special purpose financial report consisting of the profit and loss account, bar trading account, and poker machine trading account for year ended 30 June 2020.

The specific purpose for which the special purpose financial report has been prepared is to provide private information to the directors. The extent to which Accounting Standards and other mandatory professional reporting requirements have not been adopted in the preparation of the special purpose financial report is set out in Note 1.

The co-operative's directors are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent and are appropriate to meet the needs of the directors.

Our procedures use accounting expertise to collect, classify and summarise the financial information which the directors provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person other than the entity may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared exclusively for the benefit of the co-operative. We do not accept responsibility to any other person for the contents of the special purpose financial report.

PO Box 379
CESSNOCK NSW 2325

LIDLAW & ASSOCIATES

Dated 24th November 2020

Joanne Laidlaw

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED**ABN 65 053 198 599****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
INCOME	\$	\$
Gross profit on trading	1,048,557	1,195,521
TAB commission	14,472	19,998
Keno commission	37,170	62,469
Commission – ATM and vending machines	20,422	22,800
Sundry income	9,819	16,816
Members subscriptions	10,195	9,488
Raffle and bingo income	197,254	258,457
Rent – caterer	7,273	10,909
GST rebate	17,180	17,180
Cashboost	46,635	-
Jobkeeper	90,000	-
NSW Government covid grant	10,000	
Insurance recovery	-	11,090
Interest received	-	15
Wage subsidy	5,607	20,464
Total Income	<u>1,514,584</u>	<u>1,645,207</u>
Less: Expenses		
Accountancy and auditing fees	15,588	27,500
Advertising	10,749	16,606
Bank and borrowing charges	5,857	3,278
Cleaning	21,920	30,737
Computer expenses	6,858	7,214
Depreciation – general	101,538	104,426
Directors' benefits, training and conference expenses	13,033	15,178
Donations, sponsorship and sporting club expenses	26,617	34,813
Electricity and gas	72,475	83,750
Entertainment	28,180	60,453
Insurance	74,368	70,577
Interest paid	24,661	31,572
Keno maintenance and fees	3,403	3,589

This Revenue Account and should be read in conjunction with the attached compilation report.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED**ABN 65 053 198 599****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
Less: Expenses (Cont'd)	\$	\$
Lease expenditure	17,378	16,919
Licensing fee	6,432	7,252
Legal fees	4,500	-
Loss on disposal of assets	-	20,208
Members benefits, social and promotion expenses	80,438	96,779
Motor vehicle expenses	9,054	6,076
Printing and stationery	3,556	6,021
Provision for employee leave	9,133	(6,145)
Raffles and bingo expenses	258,777	350,750
Rates and taxes	18,270	20,746
Repairs and maintenance	29,081	23,429
Security costs	6,433	7,524
Staff training and welfare	190	1,181
Subscriptions	7,654	5,296
Superannuation fund contributions	56,463	68,753
TAB expenses	3,843	5,564
Telephone	10,404	9,957
Wages	531,713	539,566
Total Expenses	<u>1,458,566</u>	<u>1,669,569</u>
Operating (loss)/profit before income tax	<u>56,018</u>	<u>(24,362)</u>

This Revenue Account and should be read in conjunction with the attached compilation report.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
BAR TRADING ACCOUNT FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
Sales	570,452	719,489
Less members discounts	(77,159)	(81,337)
	<u>493,293</u>	<u>638,152</u>
Less: Cost of Goods Sold		
Opening stock	16,820	17,658
Purchases	216,238	278,075
Freight	3,664	4,402
	<u>236,722</u>	<u>300,135</u>
Closing stock	15,317	16,820
Cost of goods sold	<u>221,405</u>	<u>283,315</u>
Gross Profit	271,888	354,837
Less: Direct costs		
Repairs and maintenance	989	641
Stocktaking expenses	3,400	6,900
	<u>4,389</u>	<u>7,541</u>
Net Profit	<u>267,499</u>	<u>347,296</u>

This Revenue Account and should be read in conjunction with the attached compilation report.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED

ABN 65 053 198 599

POKER MACHINE TRADING ACCOUNT FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
Poker machine takings	4,668,223	5,150,315
Less: Poker machine payouts	(3,675,521)	(3,988,435)
Less: GST on poker machines	(87,815)	(103,985)
	<u>904,887</u>	<u>1,057,895</u>
Less: Direct costs		
Poker machine duty	15,401	47,757
Depreciation	53,772	51,645
Data monitoring service	13,322	25,300
Repairs and maintenance	33,062	38,434
Operating leases – poker machines	8,272	46,534
	<u>123,829</u>	<u>209,670</u>
Net Profit	<u>781,058</u>	<u>848,225</u>

This Revenue Account and should be read in conjunction with the attached compilation report.