

KEMPS CREEK SPORTING & BOWLING CLUB LTD
A.B.N. 64 000 488 077
(A COMPANY LIMITED BY GUARANTEE)

Annual Financial Report

For the year ended 29 February, 2020

KEMPS CREEK SPORTING & BOWLING CLUB LTD
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KEMPS CREEK SPORTING & BOWLING CLUB LTD A.B.N. 64 000 488 077
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DIRECTORS' REPORT

Your Directors submit the Financial Accounts of the Company for the year ended February 29, 2020 and report as follows:

DIRECTORS

The names of the Directors in office at any time during the year ended February 29, 2020 were as follows:

<u>NAME</u>	<u>QUALIFICATIONS</u>	<u>CONTINUITY AS DIRECTOR</u>	<u>SPECIAL RESPONSIBILITIES</u>
James Horner	Retired	07/06/2004	
Neil Fuller	Retired	06/06/2005	
Craig Simmons	Sales Manager	02/06/2014	Senior Vice President
Stephen John Luck	Retired	04/06/2018	Junior Vice President
Richard Dyer	Facilities Maintenance Manager	04/06/2018	
Glenn Finnie	Facilities Maintenance Manager	25/06/2018	
Stephen Laing	National Quality Manager	26/08/2019	

MEETINGS OF DIRECTORS

During the year, 12 meetings of directors were held. Attendances by each director were as follows:

	Number Attended	Number Eligible to Attend
Neil Fuller	7	12
James Horner (Retired on 31/10/2019)	8	12
Craig Simmons	11	12
Stephen Luck	11	12
Richard Dyer	11	12
Glenn Finnie	12	12
Stephen Laing(Appointed on 26 th August 2019)	5	6

CONSTITUTION

The Club is a Company Limited by Guarantee and without a Share Capital and the liability of members of the Licensed Club is limited to an amount not exceeding five (\$5.00) dollars towards the payments of debts and liabilities in the event of winding up. The number of members as at the date of this report were:

Ordinary: 76 Associate: 5,444 Life: 3

ACTIVITIES

The principal activity of the Company was a Licensed Recreation Club for the promotion of the game of bowls and allied activities. During the year there was no significant change in activities.

SHORT TERM OBJECTIVES

The primary short term objective of the Club is to maintain its financial security while continuing to develop the Club's facilities for its members.

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LONG TERM OBJECTIVES

The long term objective of the Club remains consistent with the original aims of the Founding Members, which is the promotion of the local community from the greater Kemps Creek area.

STRATEGIES IN ACHIEVING THESE OBJECTIVES

The Club has continued to invest in the Club's facilities ensuring the Club continues to be an attractive place for its members and guests.

The Club continues to meet the terms of its debt facility to ensure that it maintains control over its own financial future.

The Club has carefully monitored its operational performance to ensure that costs and expenditure are appropriate for the Club. However the Club has carried on supporting and sponsoring a variety of events, social activities and charities.

RESULTS

The Net Operating Profit for the year after providing for depreciation on non-current assets amounted to \$ 48,142 (2019 \$ 458,567).

REVIEW OF OPERATIONS

Movement in significant items of revenue and expenses are as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
Poker Machine Trading Profit	2,912,939	3,244,434
Bar Trading Profit	9,340	51,173
Other Income	105,695	68,409
Bowls Trading/- Loss	-112,959	-84,527
T.A.B./ - Loss	-43,461	-38,884
Keno Profit/-Loss	5,632	9,946
Administration Expenses	2,345,525	2,290,110
Entertainment Costs	588,073	644,346
Interest Paid	1,271	1,771
Ground Maintenance & Wages Costs	21,571	27,209
Promotion – Lunch/Drinks	120,318	118,150

STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the Financial Year under review not otherwise disclosed in this Report or the Accounts

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EVENTS SUBSEQUENT TO BALANCE DATE

Due to Covid -19 outbreak the operations of the club was shut down from mid-day of 23rd March 2020 under government imposed restrictions. This is a significant event occurring after Balance Sheet date. The future profitability and cash flow projections of the club are affected by this in a major way.

LIKELY DEVELOPMENTS AND RESULTS

The Directors do anticipate major changes in the operations of the Company which will affect the results in subsequent years. Economic conditions play a major role in the Company's profitability. The club's future profitability and operational cash flows are subject to the effects of Covid -19 restrictions

EMPLOYEE REMUNERATION

The top five employees of the company whose remuneration package from the company or any related party over \$100,000 during the financial year under review is disclosed in additional information pursuant to Section 41 H(1) of the Registered Clubs Amendment Act.

DIRECTORS' INTEREST

Since the end of the previous financial year no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or receivable by Directors shown in the accounts) by reason of a contract made by the Company or a related corporation with a Director or with a firm of which the Director is a Member, or with an entity in which the Director has a substantial interest.

DIRECTORS' INDEMNITY

Directors' indemnity premiums have been provided for Directors' and Officers' Liability and paid during the year. The Insurance is in respect of legal liability for damages and legal costs arising from claims made by reason of any omissions or acts (other than dishonesty) by them, whilst acting in their individual or collective capacity as Directors or Officers.


The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers Liability and Legal Expenses insurance contracts, as such disclosure is prohibited under the terms of the contracts.


AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 19 of the Financial Report.

This report is signed in accordance with a resolution of the Directors and is signed for and on behalf of the Directors by:

Craig Simmons
Director


Stephen John Luck
Director


Dated at Kemps Creek this 7th day of May, 2020.

KEMPS CREEK SPORTING & BOWLING CLUB LTD A.B.N. 64 000 488 077
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED FEBRUARY 29, 2020

	<u>NOTE</u>	<u>2020</u> \$	<u>2019</u> \$
<u>CLASSIFICATION OF EXPENSES BY NATURE</u>			
Revenue from ordinary activities	2	5,862,118	6,348,826
Changes in inventories		-137	578
Consumables used		-328,854	-377,096
Employee benefits expense		-1,449,525	-1,543,176
Depreciation and amortisation expenses	2	-584,282	-553,421
Borrowing costs expense		-1,271	-1,771
Other expenses from ordinary activities		<u>-3,449,907</u>	<u>-3,415,373</u>
Profit/-loss from ordinary activities before income tax expense		48,142	458,567
Income tax relating to ordinary activities	1(e) & 3	<u>0</u>	<u>0</u>
		48,142	458,567
Loss from extraordinary item after related income tax expense		<u>0</u>	<u>0</u>
Net profit from ordinary activities and -loss from extraordinary item after income tax expense attributable to members	13	<u>48,142</u>	<u>458,567</u>
TOTAL CHANGES IN EQUITY		<u>48,142</u>	<u>458,567</u>

The accompanying Notes form part of these Financial Statements.

KEMPS CREEK SPORTING & BOWLING CLUB LTD A.B.N. 64 000 488 077
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STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED FEBRUARY 29, 2020

	<u>NOTE</u>	<u>2020</u>	<u>2019</u>
		\$	\$
<u>CURRENT ASSETS</u>			
Cash		3,505,570	3,540,636
Receivables	5	6,559	6,437
Inventories	6	24,628	24,765
Other	7	36,765	25,008
TOTAL CURRENT ASSETS		<u>3,573,522</u>	<u>3,596,846</u>
<u>NON-CURRENT ASSETS</u>			
Property, plant & equipment	8	7,736,344	7,746,353
TOTAL NON-CURRENT ASSETS		<u>7,736,344</u>	<u>7,746,353</u>
TOTAL ASSETS		<u>11,309,866</u>	<u>11,343,199</u>
<u>CURRENT LIABILITIES</u>			
Accounts Payable	9	140,994	172,180
Borrowings	10/14	14,087	13,379
Provisions	11	460,374	474,823
TOTAL CURRENT LIABILITIES		<u>615,455</u>	<u>660,382</u>
<u>NON-CURRENT LIABILITIES</u>			
Borrowings & Provisions	10/14	25,575	62,123
TOTAL NON-CURRENT LIABILITIES		<u>25,575</u>	<u>62,123</u>
TOTAL LIABILITIES		<u>641,030</u>	<u>722,505</u>
<u>NET ASSETS</u>		<u>10,668,836</u>	<u>10,620,694</u>
<u>MEMBERS FUNDS</u>			
Retained Profits	13	10,668,836	10,620,694
TOTAL MEMBERS' FUNDS		<u>10,668,836</u>	<u>10,620,694</u>

The accompanying Notes form part of these Financial Statements.

KEMPS CREEK SPORTING & BOWLING CLUB LTD A.B.N. 64 000 488 077
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STATEMENT OF CHANGES IN MEMBERS FUNDS
FOR THE YEAR ENDED FEBRUARY 29, 2020

	<u>Retained</u> <u>Earnings</u> \$	<u>Total</u> \$
Balance 28th February 2018	10,162,127	10,162,127
Profit Attributable to Members	<u>458,567</u>	<u>458,567</u>
Balance 28th February 2019	10,620,694	10,620,694
Profit Attributable to Members	<u>48,142</u>	<u>48,142</u>
Balance 29th February 2020	<u>10,668,836</u>	<u>10,668,836</u>

The accompanying Notes form part of these Financial Statements.

KEMPS CREEK SPORTING & BOWLING CLUB LTD A.B.N. 64 000 488 077
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED FEBRUARY 29, 2020

	<u>NOTE</u>	<u>2020</u>	<u>2019</u>
		Inflows	Inflows
		-Outflows	-Outflows
		\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash receipts in the course of operations		6,413,953	6,957,788
Cash payments in the course of operations		-5,922,317	-6,012,373
Interest received		6,617	6,905
Interest & costs of finance paid		<u>-1,271</u>	<u>-1,771</u>
NET CASH PROVIDED BY/-USED IN OPERATING ACTIVITIES	19(B)	<u>496,982</u>	<u>950,549</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from sale of property, plant & equipment		48,950	64,009
Payment for property plant & equipment		<u>-567,619</u>	<u>-420,978</u>
NET CASH PROVIDED BY/-USED IN INVESTING ACTIVITIES		<u>-518,669</u>	<u>-356,969</u>
<u>CASH FLOWS FROM FINANCIAL ACTIVITIES</u>			
Repayment of borrowings		<u>-13,379</u>	<u>-12,879</u>
NET CASH PROVIDED BY/-USED IN FINANCIAL ACTIVITIES		<u>-13,379</u>	<u>-12,879</u>
Net increase/-decrease in cash held		-35,066	580,701
Cash as at March 1, 2019		<u>3,540,636</u>	<u>2,959,935</u>
CASH AS AT FEBRUARY 29, 2020	19(A)	<u>3,505,570</u>	<u>3,540,636</u>

The accompanying Notes form part of these Financial Statements.

KEMPS CREEK SPORTING & BOWLING CLUB LTD A.B.N. 64 000 488 077

(A COMPANY LIMITED BY GUARANTEE)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED FEBRUARY 29, 2020**

NOTE 1. STATEMENT OF ACCOUNTING POLICIES

The financial report covers Kemp's Creek Sporting & Bowling Club Limited (A Company limited by Guarantee) as an individual entity.

The Company operates solely as a Licensed Club in New South Wales and provides facilities and offers services common to most Registered Clubs.

Kemp's Creek Sporting & Bowling Club Limited is a company, incorporated and domiciled in Australia.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB), and the Corporations Act 2001.

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

The financial statements except for the cash flow information 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.

The amounts presented in the financial statements have been rounded to the nearest dollar and are presented in Australian Dollars.

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 three months or less.

Impairment

(i) Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired.

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED FEBRUARY 29, 2020

(ii) Non-Financial Assets

The carrying amounts of the Club's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised immediately in profit or loss if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. 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, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*).

Revenue and Other Income

Non-reciprocal grant revenue is recognized in profit or loss when the Company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Company and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Revenue is measured at the fair value of the consideration received or receivable. Revenue from the sale of goods is recognized at the point of delivery of the service to the customer.

Interest revenue is recognized using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and service tax

Statement of Compliance

The financial report complies with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB), being AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED FEBRUARY 29, 2020**

NOTE 1. STATEMENT OF ACCOUNTING POLICIES - Continued

Amortisation and Depreciation of Property, Plant and Equipment

Property, plant and equipment are depreciated/amortized at rates based upon their expected economic lives, using the diminishing value method and straight line methods

The depreciable rates used for each class of asset are as follows:

- Building and Improvements	2.5%	Straight Line
- Plant, Furniture & Equipment	7.5% - 40%	Diminishing Value
- Poker Machines	30%	Diminishing Value

Critical Accounting Judgements, Estimates and Assumptions

The directors evaluate estimates and judgements 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 Company.

The financial reporting effects of the COVID-19 outbreak are non-adjusting events because the significant changes in club's business activities and economic conditions occurred as a result of events arising after the reporting date – e.g. actions taken by governments and complete shutdown of clubs in response to the COVID-19 outbreak. However there is a material uncertainty involved regarding the future cash flow projections, operations and general business of club due to subsequent events occurring after balance sheet date.

In the process of applying the Club's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Poker Machine Licenses

The Club holds poker machine licenses either acquired or granted for no consideration by the NSW government. AASB 138 requires that licenses acquired before the first time application of the AASB be recognized initially at its fair value as at the date it was granted with a corresponding adjustment to profit and loss to recognize the grant immediately as income. Before April 2002 when the gaming legislation allowed poker machine licenses to be traded for the first time, the Club determined that fair value at grant date for licenses granted pre April 2002 to be zero. Licenses acquired post April 2002 are initially recognized at fair value. The entity has determined that the market for poker machine licenses does not meet the definition of an active market and consequently licenses recognized will not be revalued each year.

Inventories

Inventories, representing liquor and sundry stocks are valued at the lower of cost and net realizable value.

Income Tax

The Company considers it is an exempt sporting body; it has an exemption from income tax.

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED FEBRUARY 29, 2020

Employee Entitlements

Annual Leave and Sick Leave

The provision for employee entitlements to annual leave represents the amount which the economic entity has a present obligation to pay resulting from employees' services provided up to the balance date. The provision has been calculated at nominal amounts based on current wage and salary rates and includes related on-costs. Sick entitlements are charged to the Statement of Financial Performance when claimed.

Long Service Leave

The liability for employee entitlements to long service leave represents leave entitlements accrued by those employees with greater than five years of service and includes related on-costs.

Superannuation

The Company is committed to paying Award Club Plus Superannuation to all employees based on nine and a half percent of their ordinary time earnings.

Investments

Investments are carried at the lower of cost or recoverable amount.

Goods and Services Tax

Revenue expenses and assets are recognized net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognized as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financial activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Comparative figures and reporting format

Where possible comparative figures have been adjusted to conform with changes in the presentation and format to that of the previous financial year.

KEMPS CREEK SPORTING & BOWLING CLUB LTD A.B.N. 64 000 488 077
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED FEBRUARY 29, 2020

<u>NOTE 2. REVENUE</u>	<u>2020</u>	<u>2019</u>
	\$	\$
Operating Activities		
Poker machine net receipts	4,691,202	5,058,752
Bar sales	770,383	860,745
Entertainment receipts	190,305	214,469
Commission received	801	1,330
Members subscriptions	21,056	21,381
Sundry income	105,064	96,960
Keno commission	42,193	45,619
TAB commission	10,960	15,054
Transitional GST Assistance	17,180	17,777
Bowls receipts	6,357	9,834
	<u>5,855,501</u>	<u>6,341,921</u>
GST Collected	<u>558,452</u>	<u>615,867</u>
	<u>6,413,953</u>	<u>6,957,788</u>
Non-Operating Activities		
Interest received	<u>6,617</u>	<u>6,905</u>
	<u>6,617</u>	<u>6,905</u>
Profit from ordinary activities before income tax expense has been determined after:		
a) Expenses		
Depreciation/amortization of property, plant & equipment	584,282	553,421
Interest paid	1,271	1,771
Remuneration of Auditors:		
- Audit and review	12,000	12,000
- Other services	7,000	7,200
Amounts set aside to provision for:		
- Employee entitlements/-written back	-17,319	-2,239
b) Revenue and Net Gains		
Profit/-loss on sales of non-current assets	42,225	21,816

KEMPS CREEK SPORTING & BOWLING CLUB LTD A.B.N. 64 000 488 077
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED FEBRUARY 29, 2020

NOTE 3. INCOME TAX EXPENSES

No income tax expense has been provided in the accounts.

NOTE 4. REMUNERATION OF DIRECTORS

Director received honorarium payments of \$13,032 for FY 19-20 and payment of other expenses as approved by the Members.

	<u>2020</u>	<u>2019</u>
	\$	\$

NOTE 5. RECEIVABLES

Trade Debtors and Accrued Income	<u>6,559</u>	<u>6,437</u>
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NOTE 6. INVENTORIES

Bar Stock - Finished Goods	<u>24,628</u>	<u>24,765</u>
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NOTE 7. OTHER CURRENT ASSETS

Bond Receivable	4,950	-
Borrowing expenses	165	330
Prepayments	<u>31,650</u>	<u>24,678</u>
	<u>36,765</u>	<u>25,008</u>

KEMPS CREEK SPORTING & BOWLING CLUB LTD A.B.N. 64 000 488 077
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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED FEBRUARY 29, 2020**

NOTE 8. PROPERTY, PLANT & EQUIPMENT (at cost)	<u>2020</u> \$	<u>2019</u> \$
Bowling Greens	39,971	39,971
Plant, Furniture and Equipment	3,571,526	3,452,040
Less: Accumulated depreciation	3,094,141	2,982,311
	<u>477,385</u>	<u>469,729</u>
Poker Machines and Entitlements	4,373,315	4,191,370
Less: Accumulated depreciation	3,328,031	3,126,913
	<u>1,045,284</u>	<u>1,064,457</u>
Motor Vehicle	61,226	61,226
Less: Accumulated depreciation	25,666	15,037
	<u>35,560</u>	<u>46,189</u>
Ground Improvements	232,557	232,557
Land & Buildings and Improvements	2,328,821	2,328,821
Club Extensions	7,025,217	6,812,514
	<u>9,586,595</u>	<u>9,373,892</u>
Less: Accumulated depreciation	3,448,451	3,247,884
	<u>6,138,144</u>	<u>6,126,008</u>
TOTAL PROPERTY, PLANT & EQUIPMENT	<u>7,736,344</u>	<u>7,746,353</u>
- Net Book Value:		

NB: The NSW Valuer Generals' current valuation of \$2,970,000 for Freehold Land and is recorded by note only.

NOTE 9. ACCOUNTS PAYABLE

Trade Creditors and accruals	156,117	174,327
GST Clearing account	-15,123	-2,147
	<u>140,994</u>	<u>172,180</u>

KEMPS CREEK SPORTING & BOWLING CLUB LTD A.B.N. 64 000 488 077
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED FEBRUARY 29, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
<u>NOTE 10. BORROWINGS</u>		
CURRENT – Secured		
Hire Purchase Liability	14,087	13,379
Bank - Fixed Rate & Accommodation Bill Facility - Note 14	-	-
	<u>14,087</u>	<u>13,379</u>
NON-CURRENT – Secured		
Hire Purchase Liability	-	14,087
Bank - Fixed Rate & Accommodation Bill Facility - Note 14	-	-
	<u>-</u>	<u>14,087</u>
 <u>NOTE 11. PROVISIONS</u>		
CURRENT		
Provision - Community Levy – Donations	32,700	31,772
Provision - Employee Entitlements	225,439	202,298
Provision - Fringe Benefit Tax	12,554	12,951
Provision - Poker Machine Tax	<u>189,681</u>	<u>209,802</u>
	<u>460,374</u>	<u>474,823</u>
 <u>NOTE 13. RETAINED PROFITS</u>		
Retained Profits at the beginning of the financial year	10,620,694	10,162,127
Net Profit/-Loss attributable to Members	<u>48,142</u>	<u>458,567</u>
Retained Profits at the end of the financial year	<u>10,668,836</u>	<u>10,620,694</u>

KEMPS CREEK SPORTING & BOWLING CLUB LTD A.B.N. 64 000 488 077

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED FEBRUARY 29, 2020**

	<u>2020</u>	<u>2019</u>
	\$	\$
<u>NOTE 14. FINANCIAL ARRANGEMENTS</u>		
The facilities available from the Commonwealth Bank of Australia at balance date are:		
Bank Overdraft	230,000	230,000
Fixed Rate & Accommodation Bills	<u>0</u>	<u>0</u>
	<u>230,000</u>	<u>230,000</u>
Facilities utilized at balance date:		
Bank Overdraft	0	0
Fixed Rate & Accommodation Bills	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Facilities not utilized at balance date:		
Bank Overdraft	230,000	230,000
Fixed Rate & Accommodation Bills	<u>0</u>	<u>0</u>
	<u>230,000</u>	<u>230,000</u>
Securities covering the above facilities comprise:		
Registered Mortgage over commercial property situated at Lot 2 Elizabeth Drive, KEMPS CREEK NSW		
A Registered Equitable Mortgage over all assets and undertakings, including gaming machines and liquor licenses and uncalled capital.		
	<u>2020</u>	<u>2019</u>
	\$	\$
<u>NOTE 15. COMMITMENTS</u>		
Hire Purchase payable as follows:		
- Not later than one (1) year	17,196	14,485
- Later than one (1) year but not later than two (2) years	-	16,090
- Later than two (2) years but not later than five (5) years	-	-
Minimum payments	17,196	30,575
Less: Future Finance Charges	<u>-3,109</u>	<u>-3,109</u>
Total Liability	<u>14,087</u>	<u>27,466</u>
Current	14,087	13,379
Non-Current	<u>-</u>	<u>14,087</u>
	<u>14,087</u>	<u>27,466</u>

KEMPS CREEK SPORTING & BOWLING CLUB LTD A.B.N. 64 000 488 077
 (A COMPANY LIMITED BY GUARANTEE)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED FEBRUARY 29, 2020

NOTE 16. CONTINGENT LIABILITIES

A contingent liability exists with regard to Poker Machine Bonus Points issued prior to February 29, 2020 but not redeemed by that date.

NOTE 17. RELATED PARTIES

The names of each person holding the position of Director of Kemp's Creek Sporting & Bowling Club Ltd during the financial year are: N. Fuller, J. Horner, C. Simmons, S Luck, R. Dyer, G. Finnie and S. Laing

The current Directors N. Fuller, J. Horner, C. Simmons, S Luck, R. Dyer, Finnie and S. Laing are currently members of the Club Directors Institute.

NOTE 18. FINANCIAL INSTRUMENTS

Interest Rate Risk

The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as referred to in the relative preceding notes.

	Weighted Average Effective Interest		Floating Interest Rate		Fixed Interest Rate Maturing			
	2020	2019	2020	2019	Within 1 Year		1 to 5 Years	
	%	%	\$	\$	\$	\$	\$	\$
<u>Financial Assets</u>								
Cash	2.50	2.50	3,505,570	3,540,636	-	-	-	-
<u>Financial Liabilities</u>								
Loan -	7.50	7.50	-	-	-	-	-	-
Hire Purchase	5.25	5.25	-	-	14,087	13,379	-	-
<u>Total Financial Liabilities</u>			-	-	14,087	13,379	-	-

Credit Risk

The maximum exposure of credit risk, excluding the value of any collateral of other security, at balance date to recognized financial assets, is the carrying amount as disclosed in the Statement of Financial Position and notes to and forming part of the Financial statements. The company has a material risk exposure to the Commonwealth Bank Australia under financial instruments entered into by the Company.

c) Net Fair Values

For all other financial assets and liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organized markets. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and notes to and forming part of the financial statements.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED FEBRUARY 29, 2020

NOTE 19. NOTES TO THE STATEMENT OF CASH FLOWS

A. RECONCILIATION OF CASH

For the purpose of this Statement of Cash Flows, cash includes Cash on Hand and in Banks and Investments in Money Market, Investments net of outstanding Bank Overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flow is reconciled to the related items in the Balance Sheet as follows:

	<u>2020</u>	<u>2019</u>
Cash	<u>3,505,570</u>	<u>3,540,636</u>

**RECONCILIATION OF NET CASH FROM OPERATIONS WITH OPERATING
PROFIT/-LOSS AFTER INCOME TAX**

Operating profit/-loss after income tax and before extraordinary items	48,142	458,567
Non-cash Flows in Operating Profit		
Amortisation/depreciation	584,282	553,421
-Gain/loss on disposal of assets	-42,225	-21,816
Charges to Provision	-17,320	-2,239
Changes in Assets and Liabilities		
Decrease/-Increase in trade & term debtors	-122	-286
Decrease/-Increase in inventories	137	-578
Decrease/-Increase in other assets	-11,757	-722
Increase/-Decrease in trade creditors	-31,186	-52,664
Increase/-Decrease in other liabilities	-32,969	16,866
	<u>496,982</u>	<u>950,549</u>

KEMPS CREEK SPORTING & BOWLING CLUB LTD A.B.N. 64 000 488 077
(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' DECLARATION

The Directors of the company declare that:

1. The financial statements and notes, as set out on the pages 6 to 20 are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Australian Accounting Standards – Reduced Disclosure Requirements, *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b) Give a true and fair view of the financial position as at February 29,2020 and performance for the year ended on that date of the Company.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due and payable.

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

Craig Simmons
Director



Stephen John Luck
Director



Dated at Kemps Creek this 7th day of May, 2020.

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF KEMPS CREEK SPORTING & BOWLING CLUB LTD**

I declare that, to the best of my knowledge and belief, during the year ended 29 February 2020 there has been:

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

**ROSS FOWLER & CO
CHARTERED ACCOUNTANTS**



R.B. Fowler

11 Tindale Street Penrith NSW 2750

Dated: 7th May 2020

Liability limited by a scheme approved under Professional Standards Legislation



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEMPS CREEK SPORTING & BOWLING CLUB LTD A.B.N 64 000 488 077**Opinion**

In our opinion, the financial report of KEMPS CREEK SPORTING & BOWLING CLUB LTD is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at February 29 , 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

What we have audited

We have audited the financial report of KEMPS CREEK SPORTING & BOWLING CLUB LTD, which comprises the Balance Sheet as at February 29, 2020, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended and notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Club in accordance with the auditor independence requirements of the *Corporations Act 2001* 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



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEMPS CREEK SPORTING & BOWLING CLUB LTD (Cont.)

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended February 29 , 2020 but does not include the financial report and our auditor's report thereon.

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 to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the company 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 *Corporations Act 2001* 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 ability of the Company 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance 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 it is not a guarantee that an audit conducted in accordance with 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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/ar3.pdf.

This description forms part of our auditor's report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEMPS CREEK
SPORTING & BOWLING CLUB LTD (Cont.)**

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

The auditor's report relates to the financial report of KEMPS CREEK SPORTING & BOWLING CLUB LTD for the financial year ended February 29, 2020 included on the club's website. The Company's directors are responsible for the integrity of the club'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.

**ROSS FOWLER & CO
CHARTERED ACCOUNTANTS**



R.B.Fowler

Dated 7th May 2020

Address: 11 Tindale Street Penrith NSW
2750

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Legislation

COMPILATION REPORT**Scope**

On the basis of information provided by the directors of KEMPS CREEK SPORTING & BOWLING CLUB LTD (A Company Limited by Guarantee), we have compiled in accordance with APS 9: Statement on Compilation of Financial Reports the general purpose financial report of KEMPS CREEK SPORTING & BOWLING CLUB LTD (A Company Limited by Guarantee) for the year ended 29th February 2020.

The directors are solely responsible for the information contained in the general purpose financial report.

Our procedures use accounting expertise to collect, classify and summarize 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 company, 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 general purpose financial report was prepared exclusively for the benefit of the company. We do not accept responsibility to any other person for the contents of the general purpose financial report.

ROSS FOWLER & CO
CHARTERED ACCOUNTANTS



R.B.Fowler

Date 7th May 2020

Address: 11 Tindale Street Penrith NSW
2750

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KEMPS CREEK SPORTING & BOWLING CLUB LTD A.B.N. 64 000 488 077
(A COMPANY LIMITED BY GUARANTEE)

TRADING STATEMENT FOR THE YEAR ENDED FEBRUARY 29, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
<u>OPERATING STATEMENT</u>		
Bar Trading	9,340.02	51,173.38
Poker Machine Trading	2,912,939.22	3,244,433.83
Keno, TAB & sundry income	95,708.73	97,638.37
Entertainment income	<u>190,305.44</u>	<u>214,468.56</u>
TOTALS	<u>3,208,293.41</u>	<u>3,607,714.14</u>
LESS: EXPENSES		
Administration Expenses	2,345,525.11	2,290,110.13
Bowls Trading	112,958.58	84,527.31
Entertainment costs	558,673.05	627,546.33
Ground Maintenance & wage costs	21,571.04	27,208.53
Interest Paid	1,105.92	1,605.56
Promotions - Food & Beverage	<u>120,318.14</u>	<u>118,149.67</u>
TOTAL	<u>3,160,151.84</u>	<u>3,149,147.53</u>
NET PROFIT/-LOSS	<u>48,141.57</u>	<u>458,566.61</u>

KEMPS CREEK SPORTING & BOWLING CLUB LTD A.B.N. 64 000 488 077
 (A COMPANY LIMITED BY GUARANTEE)

TRADING STATEMENT FOR THE YEAR ENDED FEBRUARY 29, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
<u>BAR TRADING STATEMENT</u>		
SALES		
Coffee Shop	99,944.08	104,845.21
Bar – Beverages	<u>670,439.22</u>	<u>755,899.97</u>
TOTAL	<u>770,383.30</u>	<u>860,745.18</u>
LESS: COST OF SALES		
Opening Stock	24,765.00	24,187.00
Purchases	328,853.61	377,096.45
Less: Closing Stock	<u>24,628.00</u>	<u>24,765.00</u>
COST OF GOODS SOLD	<u>328,990.61</u>	<u>376,518.45</u>
GROSS PROFIT	<u>441,392.69</u>	<u>484,226.73</u>
LESS: EXPENSES		
Depreciation	12,000.00	12,000.00
Bar Supplies	39,660.73	37,632.55
Repairs and Maintenance	13,518.88	11,961.80
Stocktakers fees	6,840.00	6,840.00
Cash unders/-overs	198.15	828.45
Promotions & Members Christmas drinks	68,467.81	77,795.50
Wages	<u>291,367.10</u>	<u>285,995.05</u>
TOTAL	<u>432,052.67</u>	<u>433,053.35</u>
NET OPERATING PROFIT	<u>9,340.02</u>	<u>51,173.38</u>

KEMPS CREEK SPORTING & BOWLING CLUB LTD A.B.N. 64 000 488 077
(A COMPANY LIMITED BY GUARANTEE)

TRADING STATEMENT FOR THE YEAR ENDED FEBRUARY 29, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
<u>POKER MACHINE TRADING STATEMENT</u>		
Transitional GST Assistance	17,179.92	17,776.62
Net Revenue	<u>4,691,201.84</u>	<u>5,058,752.49</u>
	<u>4,708,381.76</u>	<u>5,076,529.11</u>
LESS: EXPENSES		
Data Monitoring	55,509.60	58,015.95
Depreciation	261,256.00	247,550.00
Repairs and Maintenance	106,956.16	106,394.70
Turnover Tax	847,961.32	929,586.05
Community Levy – Donations	36,186.36	32,908.64
Wages	291,366.76	285,628.51
Link Machine Accruals – Movement	16,230.05	-423.67
Cash under/-overs	0.63	-0.89
Promotion Costs & Monetary Prizes	129,015.66	130,220.99
Promotion Wages	<u>50,960.00</u>	<u>42,215.00</u>
	<u>1,795,442.54</u>	<u>1,832,095.28</u>
NET OPERATING PROFIT	<u>2,912,939.22</u>	<u>3,244,433.83</u>

KEMPS CREEK SPORTING & BOWLING CLUB LTD A.B.N. 64 000 488 077
 (A COMPANY LIMITED BY GUARANTEE)

TRADING STATEMENT FOR THE YEAR ENDED FEBRUARY 29, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
<u>KENO TRADING STATEMENT</u>		
Commission	<u>42,193.41</u>	<u>45,619.05</u>
TOTAL INCOME	<u>42,193.41</u>	<u>45,619.05</u>
LESS: EXPENSES		
Maintenance	3,390.65	3,387.89
Stationery	543.92	429.84
Cash unders/-overs	254.60	120.70
Wages	<u>32,372.08</u>	<u>31,734.81</u>
TOTAL EXPENSES	<u>36,561.25</u>	<u>35,673.24</u>
NET OPERATING PROFIT/-LOSS	<u>5,632.16</u>	<u>9,945.81</u>
<u>T.A.B. TRADING STATEMENT</u>		
Commission	<u>10,960.33</u>	<u>15,053.76</u>
TOTAL INCOME	<u>10,960.33</u>	<u>15,053.76</u>
LESS: EXPENSES		
Cash unders/-overs	72.60	33.40
Sky Channel fees	21,974.43	22,167.36
Wages	<u>32,374.53</u>	<u>31,736.77</u>
TOTAL EXPENSES	<u>54,421.56</u>	<u>53,937.53</u>
NET OPERATING PROFIT/-LOSS	<u>-43,461.23</u>	<u>-38,883.77</u>

KEMPS CREEK SPORTING & BOWLING CLUB LTD A.B.N. 64 000 488 077
 (A COMPANY LIMITED BY GUARANTEE)

TRADING STATEMENT FOR THE YEAR ENDED FEBRUARY 29, 2020

	<u>2020</u>	<u>2019</u>
Affiliation Fees	120.00	662.75
Green fees	80.00	563.65
Tournament Entry Fees	-	2,327.26
Raffles	4,004.02	6,223.76
Catering	326.65	-
Sundry income	1,826.00	37.90
Bowls fees	-	18.18
	<hr/>	<hr/>
TOTAL	6,356.67	9,833.50
	<hr/>	<hr/>
LESS: EXPENSES		
Wages	113,043.58	76,863.25
Green maintenance	832.74	6,957.69
Affiliation fees	1,302.73	978.18
Raffles	2,980.00	4,410.00
Trophies	345.00	90.00
Catering	474.27	872.73
Socials & presentations	145.40	3,704.00
Sundry expenses	191.53	484.96
	<hr/>	<hr/>
TOTAL	119,315.25	94,360.81
	<hr/>	<hr/>
NET/ -LOSS	-112,958.58	-84,527.31

KEMPS CREEK SPORTING & BOWLING CLUB LTD A.B.N. 64 000 488 077
(A COMPANY LIMITED BY GUARANTEE)

TRADING STATEMENT FOR THE YEAR ENDED FEBRUARY 29, 2020

<u>ADMINISTRATION EXPENSES</u>	<u>2020</u>	<u>2019</u>
	\$	\$
Administration wages	501,708.11	512,263.75
Doorman/security wages	72,533.98	69,810.67
Audit Fees	19,000.00	19,200.00
Accountancy Fees	2,467.70	2,968.20
Bank charges	5,647.39	6,209.06
Borrowing expenses	165.00	165.00
Contract cleaning	86,764.36	83,428.48
Courtesy bus costs	36,975.00	37,073.18
Depreciation	311,026.00	293,871.00
Donations & sponsorship	2,410.00	1,535.00
Electricity	143,204.99	155,565.41
Fringe Benefits Tax	12,554.00	11,200.00
Staff refreshments	22,384.10	15,183.65
Cash unders/-overs	512.19	4,965.58
Hiring charges & rental costs	18,380.82	21,450.09
Directors expenses	18,244.98	10,872.19
General licence fees	12,712.77	12,818.33
General expenses	309.04	1327.59
Insurances	118,941.85	117,886.43
Internet Fees	3,245.82	3,294.00
Postage and stationery	32,898.08	30,963.29
Office expenses	42,970.40	46,054.05
Legal fees	7,338.14	8,998.14
Membership expenses	6,018.00	10,302.30
Advertising	42,949.42	42,205.52
Sub Club expenses	2,590.91	3,757.26
Gas purchase	36,747.58	52,186.36
Rates and taxes	16,519.62	33,438.13
Repairs and maintenance	277,151.25	198,750.77
Security	<u>260,821.17</u>	<u>242,933.51</u>
Carried forward	2,115,192.67	2,050,676.94

KEMPS CREEK SPORTING & BOWLING CLUB LTD A.B.N. 64 000 488 077
(A COMPANY LIMITED BY GUARANTEE)

TRADING STATEMENT FOR THE YEAR ENDED FEBRUARY 29, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
<u>ADMINISTRATION EXPENSES - continued</u>		
Brought forward	2,115,192.67	2,050,676.94
Motor vehicle running costs	7,339.78	6,724.63
Payroll Tax	31,524.04	33,996.03
Promotions - Members draw	29,400.00	16,800.00
Rental - Juke box	4,160.00	5,220.90
Telephone	8,580.69	9,474.93
Trade waste and rubbish removal	25,132.18	23,905.96
Training/education	500.00	-
Traveling and courier expenses	1,057.30	713.94
Superannuation	119,244.27	122,778.36
Staff expenses	987.10	3,292.55
Annual meeting expenses	1,883.64	2,250.77
Registered Associations expenses	13,750.08	11,793.13
Provision/- Holiday pay	-10,772.62	1903.79
Provision/- Long service leave	-6,546.69	-4,142.85
Uniforms	3,765.40	313.78
Web Site Expenses	<u>327.27</u>	<u>4,407.27</u>
TOTAL	<u>2,345,525.11</u>	<u>2,290,110.13</u>