



THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED
ABN 51 412 061 029

FINANCIAL REPORT - 30 JUNE 2020

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The accompanying Special Purpose Financial Report has been prepared for the exclusive use of the Members of The Bower Re-Use and Repair Centre Co-Operative Limited. This financial report is not to be used by any other party unless accompanied with additional information concerning the co-operative's financial position.

THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED
ABN 51 412 061 029

FINANCIAL REPORT - 30 JUNE 2020

BOARD OF DIRECTORS' REPORT

The Directors present the financial report of The Bower Re-Use and Repair Centre Co-Operative Limited for the year ending 30 June 2020 and report as follows:

NAMES OF DIRECTORS

The names and positions of the Directors who held office during the year were:

Name of Director	Position Held	Meetings Attended
Miles Lochhead	Chairperson (<i>resigned 30 November 2019</i>)	2
Linda O'Maley	Independent Director (<i>appointed 30 November 2019</i>)	6
Helen Cooper	Member Director (<i>appointed 30 November 2019</i>)	6
Suzan Campbell	Member Director (<i>appointed 30 November 2019</i>)	6
Margy Vary	Secretary, Member Director	7
Marcelle Psaila	Independent Director (<i>resigned 30 November 2019</i>)	2
Terry O'Donnell	Treasurer, Director (<i>resigned 30 November 2019</i>)	0
Michelle Sheather	Chairperson, Member Director (<i>appointed 23 May 2019</i>)	7
Antonio Turri	Treasurer Independent Director (<i>appointed 23 May 2019</i>)	8

The Directors were in office for the whole of the financial year unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activities of the co-operative during the financial year were to operate a re-use and repair centre, provide educational workshops and provide a re-use referral service to the local community. There has been no significant change in the nature of the co-operative's principal activities from the previous year.

OPERATING RESULT

The operating result of the co-operative for the financial year was a surplus of \$119,592 (2019 surplus: \$20,265).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the co-operative during the financial year.

This report is made in accordance with a resolution of the Directors made on 28 October 2020 and is signed for and on behalf of the Board of Director's by:

Michelle Sheather
Chairperson

Antonio Turri
Treasurer

28 October 2020

THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED**ABN 51 412 061 029****STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2020**

	Note	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	323,234	101,066
Trade and other receivables	7	179,066	122,212
<i>Total current assets</i>		<u>502,300</u>	<u>223,278</u>
Non-current assets			
Property, plant and equipment	8	45,462	44,508
Right-of-use assets	9	62,098	-
Intangible assets	10	35,982	30,725
<i>Total non-current assets</i>		<u>143,542</u>	<u>75,233</u>
TOTAL ASSETS		<u>645,842</u>	<u>298,511</u>
LIABILITIES			
Current liabilities			
Trade and other payables	11	326,633	196,982
Employee benefits	12	30,848	14,617
Lease liabilities	13	49,153	-
<i>Total current liabilities</i>		<u>406,634</u>	<u>211,599</u>
Non-current liabilities			
Employee benefits	12	10,097	-
Lease liabilities	13	22,607	-
<i>Total non-current liabilities</i>		<u>32,704</u>	<u>-</u>
TOTAL LIABILITIES		<u>439,338</u>	<u>211,599</u>
NET ASSETS		<u><u>206,504</u></u>	<u><u>86,912</u></u>
FUNDS			
Accumulated funds		<u>206,504</u>	<u>86,912</u>
TOTAL FUNDS		<u><u>206,504</u></u>	<u><u>86,912</u></u>

The accompanying notes form part of these financial statements

THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Revenue	4	<u>1,148,837</u>	<u>927,284</u>
		<u>1,148,837</u>	<u>927,284</u>
Expenses			
Administration and other expenses		(221,249)	(229,830)
Employee expenses		(730,920)	(629,288)
Depreciation and amortisation	5	(73,470)	(19,860)
Finance costs	5	(3,606)	-
Rental expenses	5	<u>-</u>	<u>(28,041)</u>
		<u>(1,029,245)</u>	<u>(907,019)</u>
Surplus before income tax		119,592	20,265
Income tax expense		<u>-</u>	<u>-</u>
Surplus for the year		<u>119,592</u>	<u>20,265</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>119,592</u></u>	<u><u>20,265</u></u>

The accompanying notes form part of these financial statements

THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED**STATEMENT OF CHANGES IN FUNDS**
FOR THE YEAR ENDED 30 JUNE 2020

	Accumulated Funds \$	Total \$
Balance at 1 July 2018	66,647	66,647
Comprehensive income		
Surplus for the year	20,265	20,265
Other comprehensive income	-	-
Total comprehensive income for the year	<u>20,265</u>	<u>20,265</u>
Balance at 30 June 2019	<u>86,912</u>	<u>86,912</u>
Balance at 1 July 2019	86,912	86,912
Comprehensive income		
Surplus for the year	119,592	119,592
Other comprehensive income	-	-
Total comprehensive income for the year	<u>119,592</u>	<u>119,592</u>
Balance at 30 June 2020	<u>206,504</u>	<u>206,504</u>

The accompanying notes form part of these financial statements

THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers and government		1,169,169	887,482
Payments to suppliers and employees		(954,687)	(926,384)
Donations received		79,768	35,870
Interest received		1,543	2,141
Interest paid - leases		(3,606)	-
<i>Net cash flows from operating activities</i>	14	<u>292,187</u>	<u>(891)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(21,058)	(17,843)
Purchase of intangible assets		(17,027)	(27,403)
<i>Net cash flows from investing activities</i>		<u>(35,848)</u>	<u>(45,246)</u>
Cash flows from financing activities			
Repayment of lease liabilities		(34,171)	-
<i>Net cash flows from financing activities</i>		<u>(34,171)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents		222,168	(46,137)
Cash and cash equivalents at the beginning of the financial year		<u>101,066</u>	<u>147,203</u>
Cash and cash equivalents at the end of the financial year	6	<u>323,234</u>	<u>101,066</u>

The accompanying notes form part of these financial statements

THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1 - Reporting entity

This financial report is for The Bower Re-Use and Repair Centre Co-Operative Limited. The co-operative is registered as a charity under the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements were approved by the Directors on 28 October 2020.

Note 2 - Basis of preparation

Statement of compliance

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The Directors have determined that the co-operative is not a reporting entity.

The financial report has been prepared in accordance with the mandatory Australian Accounting Standards applicable as below: -

AASB 101:	Presentation of Financial Statements
AASB 107:	Statement of Cash Flows
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 1048:	Interpretation of Standards
AASB 1054:	Australian Additional Disclosures

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

New and revised standards that are effective for these financial statements

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive five-step framework for recognising revenue. AASB 15 applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. Under AASB 15, revenue is recognised when a performance obligation has been satisfied at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgment, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers. The co-operative applied the five-step model to its various revenue streams to assess the impacts of AASB 15.

The adoption of AASB 15 has not resulted in any changes to the co-operative's recognition of revenue and accordingly has not materially impacted the co-operative's financial statements.

AASB 16 Leases

AASB 16 removes the current operating and finance lease distinction for lessees and requires entities to recognise all material leases on the Statement of Financial Position. AASB 16 requires the recognition of a right-of-use asset and a corresponding lease liability at the commencement of all leases, except for short-term leases and leases of low value assets. The co-operative has elected to apply the modified retrospective method of adoption. At the date of initial application, 1 July 2019, the co-operative elected to measure the right-of-use asset as an amount equal to the lease liability, adjusted by the amount of any prior accrued lease payments relating to that lease recognised in the Statement of Financial Position immediately before the date of initial application.

The adoption of AASB 16 has resulted in:

- The recognition of right-of-use assets of \$105,931
- The recognition of lease liabilities of \$105,931

The difference between the operating lease commitments as at 30 June 2019 and the lease liability as at 1 July 2019 is due to the lease liability being discounted by the incremental borrowing rate, the effect of timing differences on entering into the lease agreements and the effect of short-term leases being excluded from the calculation of lease liabilities as at 1 July 2019.

THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2020**Note 2 - Basis of preparation (continued)*****New standards and interpretations not yet adopted***

There are no other new accounting standards and interpretations expected to have any significant impact on the co-operative's financial report that are issued and not yet applicable.

Basis of measurement

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.

Comparatives

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

Where the co-operative has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Critical accounting estimates and judgements

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 joint venture.

Key estimates***Impairment***

The Directors assess impairment at the end of each reporting period by evaluation of conditions and events 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.

Note 3 - Significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Income Tax

The Bower Re-Use and Repair Centre Co-Operative Limited is a not-for-profit Charity and it is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. The co-operative has deductible gift recipient (DGR) status.

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 Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 3 - Significant accounting policies (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is stated net of the amount of goods and services tax (GST). Revenue is recognised for the major business activities as follows:

Sale of goods

Revenue from the sale of goods is recognised at the earlier of when deposits are paid in full and available for shipping and the point of delivery.

Grants

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

Interest

Revenue from interest is recognised on an accrual's basis.

Rendering of services

Revenue from the rendering of a service is recognised upon delivery of the service to the customer.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less a provision for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is established when there is objective evidence that the co-operative will not be able to collect all amounts due according to the original terms of receivables.

Property, plant and equipment

Recognition and measurement

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of profit or loss and other comprehensive income.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the co-operative and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

The depreciable amount of all property, plant and equipment is depreciated on a straight line basis over the asset's useful life to the co-operative commencing from the time the asset is held ready for use.

The depreciation effective life used for each class of depreciable assets is:

Building	40 years
Leasehold improvements	5 years
Equipment, furniture and fittings	5 - 20 years
Motor vehicles	5 years

THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 3 - Significant accounting policies (continued)

Property, plant and equipment (continued)

Depreciation

The assets' residual values 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.

Right-of-use assets

At inception, a right-of-use asset and a lease liability is recognised. Right-of-use assets are included in the *Statement of Financial Position* within a classification relevant to the underlying asset.

Right-of-use assets are initially measured at cost, comprising of the following:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date, less any lease incentives received
- Any initial direct costs incurred
- An estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred either at the commencement date or as a consequence of having used the underlying asset during a particular period

Subsequently, right-of-use assets are measured using a cost model. The right-of-use asset is depreciated to the earlier of the useful life of the asset or the lease term using the straight-line method and is recognised in the statement of profit or loss and other comprehensive income in "Depreciation and amortisation".

The co-operative tests for impairment where there is an indication that a right-of-use asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of a right of use asset is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in surplus or deficit, except where the decrease reverses a previously recognised revaluation increase for the same asset.

The resulting decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Lease liability

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the co-operative's incremental borrowing rate.

The tenor of a lease includes any renewal period where the lessee is reasonably certain that they will exercise the option to renew. The co-operative has reviewed all its leases and included any extensions where the co-operative assessed it is reasonably certain the lease agreement will be renewed.

The lease payment used in the calculation of the lease liabilities should include variable payments when they relate to an index or rate. Where leases contain variable lease, payments based on an index or rate at a future point in time, the co-operative has used the incremental uplift contained in the lease or the respective Reserve Bank forward-looking CPI target for CPI-related increases.

THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 3 - Significant accounting policies (continued)

Lease liability (continued)

In the absence of any floor or cap clauses in the lease agreements, the co-operative measures the rent for the year under market review at an amount equal to the rent of the year preceding the market review increased by a fixed rate.

The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date. Lease payments are discounted using the relevant co-operative's incremental borrowing rate. The incremental borrowing rate used for this calculation is dictated by the tenor of the lease and the location of the asset. The incremental borrowing rate is the rate the co-operative would be charged on borrowings, provided by our banking partners. The weighted average incremental borrowing rate 4%. The following lease payments being fixed payments, less any lease incentives receivable are included where they are not paid at the commencement date.

Subsequently, the lease liability is measured by:

- increasing the carrying amount to reflect interest on the lease liability
- reducing the carrying amount to reflect the lease payments made
- remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments

The unwind of the financial charge on the lease liabilities is recognised in the *Statement of Profit or Loss and Other Comprehensive Income* in "Finance costs" based on the company's incremental borrowing rate.

Leases

The co-operative leases its premises on an arm's length basis from a third-party lessor. A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

At inception of a contract, it is assessed to determine whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still, or now contains, a lease.

The term of a lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised.

The assessment of the reasonable certainty of the exercising of options to extend the lease, or not exercising of options to terminate the lease, is reassessed upon the occurrence of either a significant event or a significant change in circumstances that is within the co-operative's control and it affects the reasonable certainty assumptions. The assessment of the lease term is revised if there is a change in the non-cancellable lease period.

The co-operative does not recognise leases that have a lease term of 12 months or less or are of low value as a right-of-use asset or lease liability. The lease payments associated with these leases are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

Intangible assets

Software

Software has a finite useful life and is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the software over its estimated useful life of between three to four years. The current amortisation charges for software are included under depreciation and amortisation expense in the statement of profit or loss and other comprehensive income.

THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2020**Note 3 - Significant accounting policies (continued)*****Impairment of assets***

At the end of each reporting period, the co-operative reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets fair value less the costs to sell the value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in the statement of profit or loss and other comprehensive income.

Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the co-operative during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of trade and other payables is deemed to reflect fair value.

Income and grants received in advance

Income, including government funding income, that is received before the service to which the payment relates has been provided is recorded as a liability until such time as the service has been provided, at which time it is recognised in the statement of comprehensive income.

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 have been measured at the amounts expected to be paid when the liability is settled.

THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
<u>Note 4 - Revenue</u>		
Revenue		
Sales	520,924	544,225
Grant income	120,177	155,662
Services delivered to councils	74,621	72,649
Other operating revenue	119,568	116,737
	<u>835,290</u>	<u>889,273</u>
Other revenue		
Donations received	79,768	35,870
Government support - <i>COVID-19</i>	232,236	-
Interest income	1,543	2,141
	<u>313,547</u>	<u>38,011</u>
<i>Total revenue</i>	<u><u>1,148,837</u></u>	<u><u>927,284</u></u>
<u>Note 5 - Expenses</u>		
Depreciation and amortisation		
Property, plant and equipment	17,867	12,851
Right-of-use assets	43,833	-
Software	11,770	7,009
<i>Total depreciation and amortisation</i>	<u>73,470</u>	<u>19,860</u>
Finance costs - leases	3,606	-
Auditor's remuneration	8,500	8,300
Bad debts expense	426	6,456
Rental expenses relating to operating leases	-	28,041
<u>Note 6 - Cash and cash equivalents</u>		
Cash at bank and on hand	323,234	101,066
<i>Total cash and cash equivalents</i>	<u><u>323,234</u></u>	<u><u>101,066</u></u>
<u>Note 7 - Trade and other receivables</u>		
<u>Current</u>		
Trade receivables	51,034	85,312
Provision for impairment	(6,704)	(6,304)
	<u>44,330</u>	<u>79,008</u>
Other receivables	114,678	28,359
Prepayments	20,058	14,845
<i>Total current trade and other receivables</i>	<u><u>179,066</u></u>	<u><u>122,212</u></u>
<u>Provision for impairment</u>		
Opening net carrying amount	6,304	500
Increase in provision	400	5,804
Closing net carrying amount	<u><u>6,704</u></u>	<u><u>6,304</u></u>

THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

Note 8 - Property, plant and equipment

	Leasehold Improvement	Buildings	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
At 30 June 2019					
Cost	-	99,709	80,160	45,341	225,210
Accumulated depreciation	-	(99,709)	(41,861)	(39,132)	(180,702)
<i>Net carrying amount</i>	-	-	38,299	6,209	44,508
Movements in carrying amounts					
Opening net carrying amount	-	-	38,299	6,209	44,508
Additions	11,212	-	9,846	-	21,058
Disposals	-	-	(2,237)	-	(2,237)
Depreciation charge for the year	(2,033)	-	(13,493)	(2,341)	(17,867)
Closing net carrying amount	9,179	-	32,415	3,868	45,462
At 30 June 2020					
Cost	11,212	94,552	84,517	45,342	235,623
Accumulated depreciation	(2,033)	(94,552)	(52,102)	(41,474)	(190,161)
<i>Net carrying amount</i>	9,179	-	32,415	3,868	45,462

	2020 \$	2019 \$
Note 9 - Right-of-use assets		
Leased offices - at cost	105,931	-
Accumulated depreciation	(43,833)	-
<i>Total right-of-use assets</i>	62,098	-
Movements in carrying amounts		
Balance at the beginning of the year (adoption of AASB 16)	-	-
Additions - new leases entered into	105,931	-
Depreciation charge for the year	(43,833)	-
Closing net carrying amount	62,098	-

Note 10 - Intangible assets

	Software	Total
	\$	\$
At 30 June 2019		
Cost	47,494	47,494
Accumulated amortisation	(16,769)	(16,769)
<i>Net carrying amount</i>	30,725	30,725
Movements in carrying amounts		
Opening net carrying amount	30,725	30,725
Additions	17,027	17,027
Amortisation charge for the year	(11,770)	(11,770)
Closing net carrying amount	35,982	35,982
At 30 June 2020		
Cost	60,672	60,672
Accumulated amortisation	(24,690)	(24,690)
<i>Net carrying amount</i>	35,982	35,982

THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<u>Note 11 - Trade and other payables</u>		
<u>Current</u>		
Trade payables	13,825	12,881
Grants received in advance	176,786	59,441
Income received in advance	64,682	72,742
Liabilities to employees	50,917	27,943
Other payables	20,423	23,975
<i>Total current trade and other payables</i>	<u>326,633</u>	<u>196,982</u>
<u>Note 12 - Employee benefits</u>		
<u>Current</u>		
Annual leave	30,848	14,617
<i>Total current employee benefits</i>	<u>30,848</u>	<u>14,617</u>
<u>Non-current</u>		
Long service leave	10,097	-
<i>Total non-current employee benefits</i>	<u>10,097</u>	<u>-</u>
<u>Note 13 - Lease liabilities</u>		
<u>Current</u>		
Lease liabilities	49,153	-
<i>Total current lease liabilities</i>	<u>49,153</u>	<u>-</u>
<u>Non-current</u>		
Lease liabilities	22,607	-
<i>Total non-current lease liabilities</i>	<u>22,607</u>	<u>-</u>
<u>Movements in carrying amounts</u>		
Balance at the beginning of the year (adoption of AASB 16)	105,931	-
Repayments	(37,777)	-
Interest	3,606	-
Closing net carrying amount	<u>71,760</u>	<u>-</u>
<u>Note 14 - Cash flow information</u>		
<u>Reconciliation of net surplus (deficit) for the year to net cash flows from operations</u>		
Surplus (deficit) for the year	119,592	20,265
<i>Adjustments for:</i>		
Non cash flows		
Amortisation	11,770	7,009
Depreciation	61,700	12,851
Bad and doubtful debts	6,704	6,304
<i>Changes in assets and liabilities</i>		
(Increase) decrease in trade and other receivables	(58,345)	(15,442)
(Increase) decrease in prepayments	(5,213)	(8,622)
(Increase) decrease in inventories	-	10,000
(Decrease) increase in trade and other payables	(2,608)	1,306
(Decrease) increase in income in advance	109,285	(29,425)
(Decrease) increase in liabilities to employees	22,974	(6,321)
(Decrease) increase in employee benefits	26,328	1,184
Net cash flows from operating activities	<u>292,187</u>	<u>(891)</u>

THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<u>Note 15 - Commitments</u>		
<i>Lease commitments</i>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Within one year	-	28,480
Later than one year but no later than five years	-	61,514
	<u>-</u>	<u>89,994</u>

Due to the adoption of AASB 16 effective from 1 July 2019 operating lease commitments are no longer separately disclosed and are recorded as right-of-use assets and lease liabilities in the statement of financial position.

Note 16 - Charitable fundraising activities

The following information is disclosed in accordance with the requirements of the New South Wales *Charitable Fundraising Act 1991* :-

Fundraising income and expenditure

Gross proceeds from fundraising	102,744	76,955
Total costs of fundraising	11,425	4,457
Net surplus from fundraising	<u>114,169</u>	<u>81,412</u>

Note 17 - Related party transactions

The following transactions took place with Directors or a company of which they are associated during the year:

Peter Carroll (note i)	-	-
Michael Sarroff (note ii)	-	452
	<u>-</u>	<u>452</u>

(i) Peter Carroll is the company secretary for SCRAP Ltd which supplies waste service, recycled paper and storage services to Bower. These payments were made to SCRAP against invoices raised by Peter as fees for service as an independent contractor, from which he may derive some financial benefit.

(ii) Michael Sarroff is the principal sole trader of Fourth Wall Productions. Fourth Wall Productions is paid as a workshop convenor.

Note 18 - Events occurring after balance date

Subsequent to the end of the financial year there have been considerable economic impacts in Australia and globally arising from the outbreak of the COVID-19 pandemic, and Government actions to reduce the spread of the virus.

At the date of signing the financial statements the Directors are unable to determine what financial effects the outbreak of the virus could have on the company in the coming financial period.

The Directors acknowledge their responsibility to continuously monitor the situation and evaluate this impact including the ability to pay the debts as and when they become due and payable.

There were no other significant events occurring after balance date.

THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED**FINANCIAL REPORT - 30 JUNE 2020****STATEMENT BY BOARD OF DIRECTORS**

The Directors have determined that the co-operative is not a reporting entity and that this special purpose financial report should be prepared in accordance with the statement of compliance and basis of preparation described in Note 2 to the financial statements and the *Australian Charities and Not-for-profits Commission Act 2012*.

In the opinion of the Directors, the financial report, which comprise the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in funds, statement of cash flows and notes to the financial statements:

- (a) Presents a true and fair view of the financial position of The Bower Re-Use and Repair Centre Co-Operative Limited as at 30 June 2020 and its performance for the year ended on that date in accordance with the basis of preparation described in Note 2 of the financial statements; and
- (b) At the date of this statement, there are reasonable grounds to believe that The Bower Re-Use and Repair Centre Co-Operative Limited will be able to pay its debts as and when they fall due.

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



Michelle Sheather
Chairperson



Antonio Turri
Treasurer

Sydney, 28 October 2020

THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED
ABN 51 412 061 029

FINANCIAL REPORT - 30 JUNE 2020

BOARD'S DECLARATION UNDER THE CHARITABLE FUNDRAISING ACT 1991

In the opinion of the Directors of The Bower Re-Use and Repair Centre Co-Operative Limited:

- (i) The accounts give a true and fair view of all income and expenditure with respect to fundraising appeals for the year ended 30 June 2020; and
- (ii) The statement of financial position gives a true and fair view of the state of affairs of the co-operative with respect to fundraising appeals; and
- (iii) The provisions of the *Charitable Fundraising Act 1991*, the regulations under that Act, and the conditions attached to the authority to fundraise have been complied with; and
- (iv) The internal controls exercised by the co-operative are appropriate and effective in accounting for all income received.

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



Michelle Sheather
Chairperson



Antonio Turri
Treasurer

Sydney, 28 October 2020

THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED
ABN 51 412 061 029

FINANCIAL REPORT - 30 JUNE 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED

Opinion

We have audited the accompanying financial report, being a special purpose financial report of The Bower Re-Use and Repair Centre Co-Operative Limited (the "co-operative") which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Board of Directors.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the co-operative as at 30 June 2020 and its financial performance and its cash flows for the year then ended in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*.

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 Responsibility for the Audit of the Financial Report* section of our report. We are independent of the co-operative in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter

Basis of Accounting

Without modifying our opinion, we draw attention to Notes 1 and 2 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist the Directors to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the special purpose financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Directors' Responsibility for the Financial Report

The Directors of the co-operative are responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the co-operative's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the co-operative or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the co-operative's financial reporting process.

THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED
ABN 51 412 061 029

FINANCIAL REPORT - 30 JUNE 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at *The Auditing and Assurance Standards Board* and the website address is <http://www.auasb.gov.au/Home.aspx>

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In addition, our audit report has also been prepared for the members of the company in accordance with section 24(2) of the *Charitable Fundraising Act 1991*. Accordingly, we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the *Australian Charities and Not-for-profits Commission Act 2012*. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *Charitable Fundraising Act 1991* and Regulations.

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year-end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for year-end financial report preparation.

The performance of our statutory audit included a review of internal controls for the purpose of determining the appropriate audit procedures to enable an opinion to be expressed on the financial report. This review is not a comprehensive review of all those systems or of the system taken as a whole and is not designed to uncover all weaknesses in those systems.

The audit opinion expressed in this report pursuant to the *Charitable Fundraising Act 1991* has been formed on the above basis.



Stewart Brown
Chartered Accountants



S.J. Hutcheon
Partner

28 October 2020

THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED
ABN 51 412 061 029

ACCOUNTANT'S DISCLAIMER ON OTHER FINANCIAL INFORMATION

The additional financial data presented on the following pages is in accordance with the books and records of the co-operative which have been subjected to the auditing procedures applied in our statutory audit of the co-operative for the year ended 30 June 2020. It will be appreciated that our statutory audit did not cover all details of the additional financial data.

Accordingly, we do not express an opinion on such financial data, and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than The Bower Re-Use and Repair Centre Co-operative Limited) in respect of such data, including any errors or omissions therein however caused.



StewartBrown
Chartered Accountants



S.J. Hutcheon
Partner

28 October 2020

THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED**DETAILED INCOME AND EXPENDITURE STATEMENT (UNAUDITED)**
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
INCOME		
Gross proceeds from fundraising		
Donations	79,768	35,870
Grants		
Government support - COVID-19	232,236	-
Government grants	90,363	61,524
Non Government grants	29,814	94,138
Services delivered to councils		
Collection and rehoming Service	74,621	72,649
Sales	520,924	544,225
Other revenue		
Membership Income	405	856
Workshop fees	16,853	47,657
Delivery charges	12,475	15,350
Workshop repairs	1,620	-
Paid collection service	238	218
Sundry income	33,294	979
Fuel tax credits	592	620
Rent received (107)	-	3,041
WFD activity placements	37,355	27,999
Parramatta workshops	9,574	11,526
Commission on Consignments	6,600	4,963
Workers Compensation Claim	562	3,236
Interest Received	1,543	2,141
Other income	-	292
<i>Total Income</i>	<u>1,148,837</u>	<u>927,284</u>

THE BOWER RE-USE AND REPAIR CENTRE CO-OPERATIVE LIMITED**DETAILED INCOME AND EXPENDITURE STATEMENT (UNAUDITED)****FOR THE YEAR ENDED 30 JUNE 2020**

	2020 \$	2019 \$
EXPENDITURE		
Cost of sales	-	10,000
Advertising and marketing	2,202	1,967
Funded projects	41,784	29,382
Lost consignments	98	285
Workers compensation	13,621	9,607
Staff training	2,215	580
Staff safety equipment	1,084	674
Local travel	3,949	4,127
Truck running costs	11,390	12,734
Rent	-	28,041
Repair and maintenance	2,528	1,313
Electricity	6,159	7,481
Water	462	881
Staff advertising and recruitment	1,290	600
Insurance	4,140	3,993
Telephone and fax	2,118	2,298
Computer expense	1,898	1,368
Internet	2,030	2,109
Administration	8,100	-
Printing	1,587	2,101
Stationery	610	666
Shop consumables	239	130
Photocopying	2,713	2,908
Staff amenities	343	181
Meeting expenses	909	169
Audit	8,500	8,300
Bookkeeping - external	29,948	28,599
Grant writer	7,363	-
Legal Fees	909	16,416
College/course expenses	28,241	39,678
Consultancy	1,770	6,985
Contingency	2,266	3,205
IT expense	2,682	4,473
Licences	1,349	958
Memberships and subscriptions	1,905	2,525
Online store	4,665	4,226
Bank charges	4,290	3,083
Bad debts	426	6,456
Cash shortages	341	(375)
Sundry expenses	334	(425)
Waste removal	5,706	4,781
Workshop expense	6,462	2,667
Promotions	1,121	2,724
Art from trash expense	2,715	-
Finance costs	3,606	-
Depreciation and amortisation	73,470	19,860
Salaries	677,534	575,282
Superannuation	52,173	54,006
<i>Total expenditure</i>	<u>1,029,245</u>	<u>907,019</u>
NET PROFIT (LOSS)	<u><u>119,592</u></u>	<u><u>20,265</u></u>

This Detailed Income & Expenditure Statement does not form part of the audited Financial Report