

West Tradies

My Club, My Friends



2018

ANNUAL REPORT





Notice of ANNUAL GENERAL MEETING

The next Annual General Meeting of the Building Workers Club Limited will be held on

**Sunday 25th November 2018, commencing at 11.00am
in the Tradies Function Room**

westtradies.com.au

Agenda

1. Confirmation of minutes of the previous Annual General Meeting held on 26th November 2017.
2. Reception of the Chairman's Message.
3. Reception of the Honorary Treasurer's Message .
4. Reception of the Director's Report.
5. Submission of the Auditor's Report for 12 months ended 30th June 2018.
6. Resolutions of which due notice has been given and submitted in accordance with the Articles of Association.
7. Returning Officers Report.
8. Any other business of which due notice has been given to members.

Attention Members

Members are requested to advise the Manager in writing seven (7) working days prior to the date of the Annual General Meeting, of any query relating to the Financial Accounts on which further information may be required. Such information will be extracted from the records and be available at the Annual General Meeting.

Members requesting a Copy of The Annual Report

Any member wishing to obtain a copy of the 2017/18 Financial Accounts (Auditors unsigned copy) may do so from Monday 5th November 2018 by visiting West Tradies Reception (Monday - Friday 10am until 5pm). Or the Annual report can be viewed online at www.westtradies.com.au

For and on behalf of the Board of Directors

Gail Patrin

General Manager

Resolutions for the AGM 25th November 2018

First Ordinary Resolution

That:

- (a) The Members hereby approve and agree to expenditure by the Club in a sum not exceeding forty thousand dollars (\$40,000.00) until the next Annual General Meeting of the Club for the following activities:
 - (i) The reasonable costs of directors undertaking mandatory training in accordance with the Registered Clubs Act or the Clubs By-laws.
 - (ii) The reasonable cost of a meal and beverage from the Club bistro for each director immediately before or immediately after, a Board or sub-committee meeting or any other meeting on Club business as approved by the Board on the day of that meeting, when that meeting corresponds with a normal meal time and the Club bistro is open.
 - (iii) Reasonable expenditure by the Club on an annual dinner to give thanks to directors of the Club and their spouses/partners.
 - (iv) The reasonable expenses incurred by directors either within the Club or elsewhere in relation to such other duties in relation to the business of the Club such duties having first been approved by the Board.
 - (v) The reasonable cost of an electronic device and/or internet access being made available to directors as may be necessary from time to time and approved by the Board to enable directors to participate in a meeting or carry out other duties as directors.

- (b) The members acknowledge that the benefits in paragraph (a) are not available for members generally but are only for those who are directors (and their spouses/partners in the circumstances in sub paragraph (iii)) of the Club and that notwithstanding paragraph (a) all out of pocket expenses incurred by a director in the course of carrying out his or her duties as a director in relation to the Club must not be paid or reimbursed unless approved by a current resolution of the Board of the Club.

Notes to Members on First Ordinary Resolution

1. The First Ordinary Resolution is to have the members in general meeting approve expenditure by the Club on directors (and their spouses/partners in certain circumstances) for a maximum amount of forty thousand dollars (\$40,000.00) in respect of the matters set out in the First Ordinary Resolution.
2. To be passed the First Ordinary Resolution requires votes from a simple majority of those members who being eligible to do so vote in person on the First Ordinary Resolution at the meeting.

Second Ordinary Resolution

That the members hereby approve:

- (a) The payment of the following honorariums to directors of the Club for services as directors of the Club until the next Annual General Meeting:
 - (i) President - \$2,000.00.
 - (ii) Ordinary Directors - \$1,500.00 each.
- (b) The honorariums in paragraph (a) are to be paid quarterly in arrears.
- (c) If the President or a director only holds office for part of the term, the honorarium shall be paid on a pro-rata basis.
- (d) The payment of the following additional honorariums to directors of the Club until the next Annual General Meeting:
 - (i) for each director (including the President) who attends a Board meeting the sum of \$80.00;
 - (ii) for each director (including the President) who attends a sub committee meeting as approved by the Board the sum of \$40.00;
 - (iii) for each director (including the President) who is required to attend any other meeting or club business as first determined and approved by the Board the sum of \$80.00 for each meeting or other attendance.

Notes to Members on Second Ordinary Resolution

1. The Second Ordinary Resolution is to have the members approve honorariums for the directors of the Club for duties to be performed by them until the next Annual General Meeting.
2. To be passed the Second Ordinary Resolution requires votes from a simple majority of those members who being eligible to do so vote in person on the Second Ordinary Resolution at the meeting.

Chairman's Message

Dear Members

A pleasing result has been achieved once again for our Club for the financial year ending 2018 which has seen the club strengthen its financial base, giving us the opportunity to push ahead with the planning of some long awaited improvements to our member facilities in the near future. However, to be prudent we need to gauge what will be happening in our region of influence and what members and the community will expect from their local club.

We the Board have received from Tully Heard Consulting a detailed feasibility study of the region to identify future opportunities for our club. This includes options available for our present site for future growth, and the establishment of a sustainable business model which will form part of the Clubs Master Plan. We are in the early stages of the full masterplan discussions with Paynter Dixon as we need to ensure we provide you our members what you truly deserve. We have nearly finalised the proposal of stage 1, once this is ready it will be made available for public viewing in our Reception area.

Another eventful year has nearly past us so quickly with a lot happening, both in the Club and the industry as a whole.

The Club has seen some positive developments of its own through this year

- A new members shuttle bus was purchased
- New Air conditioning was put throughout the back half of the Club which includes the Auditorium back hallway and the old back foyer area
- We now provide hot snacks in the main bar
- New caterers Fusion Dining have joined us
- Members Badge Draw
- New Promotions
- New Gaming stools have been purchased and are expected to arrive in December

On behalf of the Directors, I take this opportunity to thank our Management and staff of West Tradies for their hard work and commitment over the past year.

To those who have lost a loved one, we offer you and your family our deepest sympathies.

Finally we would like to thank YOU our members for continuing to support us and look forward to an even better 2019.

Mario Barrios

Chairman

Honorary Treasurer's Message

Dear Members

I am pleased to present to YOU our members another successful year financially. We have closed off 2018 with a profit of \$997,014 after tax.

Our Club has continued to trade well despite the country's economic downturn that all business have been experiencing over the last few years. It is tough out there with all businesses. The net profit in which we have achieved this year is a clear indication that you our members are appreciating the facilities and service that we provide.

Wage and operating costs have been controlled. Effective rostering, training and deployment of employees shows diligent management skills.

Summary of the last Three Years Financial results.

	2016	2017	2018
Net Profit (after tax)	\$1,004,641	\$1,442,136	\$997,014

Donations

I am pleased to advise you that over the past twelve months your Club has provided over \$89,459 of Grants, Subsidies and donations to various intra clubs, communities, and non-profit organisations in and around Mt Druitt.

Rosie's Place	Rap for Change
Youth off The Streets	Koori Kids
Mt Druitt Neighbour Aid	Mt Druitt Little Athletics
Mt Druitt Lions JRFLC	Mt Druitt Hospital
Nulawala	Local Schools

In closing I would like to thank all the staff who has worked so hard to provide a great venue to visit. I would like to also thank my fellow Board of Directors for their dedication and support.

Most importantly I thank YOU our members for your continued support and loyalty.

Anthony Bleasedale OAM

Honorary Treasurer

General Manager's Report

I am pleased to confirm that the Club has maintained a profit for the 9th consecutive year and this year achieved a profit of \$997,014.

With businesses constantly evolving it is important to understand that for the Club to maintain future profitability and growth we must face the challenges of external influences. To have a better understanding of the external influences the Club engaged an external consulting firm, Tully Heard Consulting. As a result, the Club is currently working with Paynter Dixon on the master planning of the Club.

The fundamental objective of a Club is to serve members, patrons and the community and to improve our service the Club needed to implement change. During the year, the function room was renovated, and changes were made to the function packages. The auditorium was equipped with new air conditioning, beer lines, AV equipment and although the 2018 result was not reflective of the upgrades due to the timing factor, we are currently seeing an increase in functions in both areas.

We have changed our contract caterer to Fusion, who is experienced in working with a large volume customer base delivering on quality meals at an affordable price.

We have listened to our members and made changes to our entertainment. Unintentionally, these changes may have upset some members, however, we do recognise the need to be forward-focused and improve.

We understand the importance of delivering more value to our members, hence a non-members pricing was introduced. We also focused on improvements to member promotions to better serve our current members and entice new members to join. The Clubs membership increased to 7,199 and continues to grow.

Although you may have witnessed the above through the course of the year, there are certain aspects that you may not be aware of. To sustain a process of change to the front of house, there was a greater need to administer changes to back of house operations. The Clubs technology was upgraded, which included servers, POS, digital platforms, installation of EFTPOS facilities, LED lighting, security, efficiency assessments were conducted, and processes streamlined.

The Clubs financial support to the local community under the Club Grants Scheme was \$89,459. Some of our recipients were Mount Druitt Lions Junior Rugby League Football Club, Rosie's Place, Mt Druitt Neighbour Aid, Youth Off The Streets, Blacktown City Lions Club, Parramatta Nepean Presbytery-Bidwill Community and Mount Druitt Workers - Sub Clubs.

It has been a challenging year for all and I would like to thank the Board of Directors for their dedication, direction and continued support. I would also like to thank Management and Staff for their teamwork, commitment, diligence and tireless effort.

To the members, thank you for your feedback, loyalty and patronage over the last 12 months. There will be further exciting changes in the future as the Club continues to progress and your patience, understanding and support is greatly appreciated.

The Club would not be here today without you.

Gail Patrin

General Manager

Disclosures

Section 41 of the Registered Clubs Amendment Act 2001 requires the Club to disclose the following information to members.

This information:

- Applies to:
- The Building Workers Club Ltd
- Serial # 200337
- For the period July 1, 2017 to June 30, 2018.
- Is important information for Club members: and
- Is in a form approved by the Director of Liquor and Gaming: and
- Must be sent to members of the club: and
- The declarations, disclosures and returns made pursuant to section 41C, 41D, 41E and 41F are held in the secretary's register and may be inspected by members on written application to the secretary.

41C - DISCLOSURES OF INTEREST IN CONTRACTS

Total Number of Declarations made by Directors of material personal interests in contracts..... NIL

41D – DECLARATION OF INTERESTS IN HOTELS

Total Declarations of interest in hotels made by Directors NIL

Total Declarations of interests in hotels made by Top Executives..... NIL

41E – REGISTER OF GIFTS FROM AFFILIATED BODIES

Total number of gifts (valued at more than \$500) received by Directors..... NIL

Total number of gifts (valued at more than \$500) received by Top Executives NIL

Total value of gifts (valued at more than \$500) received by the above mentioned..... NIL.

41F – REGISTER OF GIFTS FROM CONTRACTORS

Total number of gifts (valued at more than \$500) received by Director NIL

Total number of gifts (valued at more than \$500) received by Staff..... NIL

Total value of gifts (valued at more than \$500) received by the above mentioned..... NIL

Section 41 of the Registered Clubs Amendment Act 2003 also requires the Club to disclose the following information to members and applies to the period July 1, 2017 to June 30, 2018.

41H (1) (B)

The value of the remuneration packages of the highest executives being paid over \$100,000 a year\$133,745

41H (1) (C)

The purpose and other details of overseas travel by a director, employee, secretary or manager of the Club NIL

41H (1) (d)

The details of any loans made to any employee of the Club..... NIL

41H (1) (e)

The details of any contract approved under section 41M or of any controlled contract (within the meaning of Section 41 (O) entered by the Club NIL

41H (1) (f)

The name of any employee of the Club who is a close relative of a member of the governing body or of a top executive of the Club, and the amount of the remuneration package paid to the employee NIL

41H (1) (g)

The details of any amount equal to or more than \$30,000 paid by the Club to a particular consultant, including the name and nature of services NIL

41H (1) (h)

The total amount paid to consultants, other than amount reported in 41H (1) (G), above:

Total amount paid to consultants\$3,030

Total number of consultants engaged.....1

41H (1) (i)

The details of any settlement with a member of the governing body or an employee of the Club as a result of a legal dispute, and the amount of any associated legal fees paid by the Club as the result of that dispute, which is not subject to a confidentiality NIL

41H (1) (j)

The details and amount of any legal fees paid by the Club on behalf of a member of the governing body or employee of the Club..... NIL

41H (1) (k)

The amount of profits from gaming machines in the Club during the 12-month period ended August 31, 2018.....\$5,422,258

41H (1) (l)

The amount applied by the Club to Community development and support (the Club Grants scheme) during the 12-month period ended August 31, 2018\$89,459

Core Property – Section 41J (2)

The Core Property of the Club referred to in this report is the land and buildings located at 247 Woodstock Ave, Dharruk NSW 2770.

Building Workers Club Limited

ABN 30 001 912 661

Annual report for the year ended 30 June 2018

Building Workers Club Limited

ABN 30 001 912 661

Directors' report

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Building Workers Club Limited

ABN 30 001 912 661

Directors' report

The directors of Building Workers Club Limited ("the company") or ("the club") submit herewith the annual report of the company for the financial year ended 30 June 2018. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Directors

The names of the directors of the company during or since the end of the financial year are:

Mr Jose Barrios
Mr Anthony Bleasdale
Mr Rebel Hanlon
Mr Benito Luciano Manna (appointed 11 August 2017)
Ms Doreen O'Grady
Mr John Scott
Mr Rod Jarman
Mr Mansour Razaghi
Mr Mark Cunningham

The 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 activity of the club during the financial year was that of a social and recreational club for trade unionists.

Strategy, objectives and performance

Short-term and long-term objectives

The company's short term objectives are to:

- Maintain a surplus result from the underlying business;
- Reduce the club footprint; and
- Increase customer service standards.

The company's long term objectives are to:

- Be an active and relevant supporter of our community;
- Be financially sound; and
- Be recognised as the market leader in our industry sector in Outer Western Sydney.

Strategies

To achieve these objectives, the company has adopted the following strategies:

- Institute a system of strong financial rigor, to set, implement and measure all business activities, ensuring a surplus return.
- Engage an architect to create a master plan of the building to take into account our short and long term objectives of increasing surplus, reducing the club's footprint and increasing the quality of our customer service.
- Lease out to complimentary organisations 30% of the club's available floor space at market rent.

Building Workers Club Limited

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Directors' report

Strategies (cont'd)

- Renovate the clubhouse to bring it into line with its competitors.
- Attract, train and retain, high quality personnel to deliver exemplary customer service.

Key performance measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

	Actual 2018	Benchmark 2018	Actual 2017	Benchmark 2017
Net Gaming Machine revenue (per machine per day)	\$ 99.69	\$130	\$109.16	\$130
Cost of goods sold (% to net bar sales)	46.75%	42%	44.52%	42%
Total wages (% to net sales)	23.22%	18%	21.00%	18%
EBITDA* (% to net sales)	23.47%	25%	28.23%	25%
PEMA ** (% to net sales)	4.85%	6%	4.47%	6%
Number of members	7,199	-	6,882	-
Number of visitors	17,234	-	21,202	-

*(Earnings before interest, taxes, depreciation and amortisation)

** (Promotions, entertainment, marketing and advertising)

Information about the directors

Mr Jose Barrios	President ("Chairman")
Experience	Director < 7 years
Special responsibilities	Ex-officio on all Committees
Mr Anthony Bleasdale	Honorary Treasurer
Experience	Director < 11 years
Special responsibilities	Finance Committee, Building Committee
Mr Rebel Hanlon	Vice President
Experience	Director < 9 years
Special responsibilities	Building Committee
Mr Benito Luciano Manna	Vice President
Experience	Director < 1 year
Special responsibilities	Judiciary Committee, Building Committee
Ms Doreen O'Grady	Associate Director
Experience	Director < 12 years
Special responsibilities	Judiciary Committee, Accounts Committee
Mr John Scott	Honorary Secretary
Experience	Director < 12 years
Special responsibilities	Accounts Committee, Judiciary Committee

Building Workers Club Limited

ABN 30 001 912 661

Directors' report

Information about the directors (cont'd)

Mr Rod Jarman Associate Director
Experience Director < 8 years

Mr Mansour Razaghi Associate Director
Experience Director < 4 years

Mr Mark Cunningham Director
Experience Director < 2 years

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 66 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' meetings		Other Committee meetings	Board Meetings	Committee Meetings	Meals	Total paid
	Number eligible to attend	Number attended	Number attended				
Mr Jose Barrios	15	11	-	-	-	\$474	\$474
Mr Anthony Bleasdale	15	13	-	-	-	\$479	\$479
Mr Rebel Hanlon	15	8	-	-	-	\$346	\$346
Mr Benito Luciano Manna	13	12	5	-	-	\$206	\$206
Ms Doreen O'Grady	15	15	66	\$1,280	\$2,360	\$452	\$4,092
Mr John Scott	15	13	49	\$ 400	\$1,040	\$502	\$1,942
Mr Rod Jarman	15	8	3	-	-	-	-
Mr Mansour Razaghi	15	12	-	-	-	\$311	\$311
Mr Mark Cunningham	15	14	1	-	-	\$555	\$555
				\$1,680	\$3,400	\$3,325	\$8,405

The table of meetings does not include meetings attended by the President in relation to the management of the club.

Changes in state of affairs

There was no significant change in the state of affairs of the company during the financial year.

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Building Workers Club Limited

ABN 30 001 912 661

Directors' report

Proceedings on behalf of company

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

The company was not a party to any such proceedings during the year.

Indemnification and insurance of officers and auditors

The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

Members' guarantee

In accordance with the company's constitution, each member is liable to contribute \$20 in the event that the company is wound up.

The total amount that members of the company are liable to contribute if the company is wound up is \$ 140,480 (2017: \$137,640).

Auditor's independence declaration

The auditor's independence declaration is included after this report.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors

Chairman:
Mr Jose Barros

Treasurer:
Mr Anthony Bleasdale

Dated this 5th day of October 2018

The Board of Directors
Building Workers Club Limited
247 Woodstock Avenue
Dharruk NSW 2770

5 October 2018

Dear Board Members

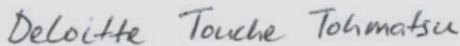
Building Workers Club Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Building Workers Club Limited.

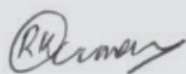
As lead audit partner for the audit of the financial statements of Building Workers Club Limited for the financial year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Rajnil Kumar
Partner
Chartered Accountants
Parramatta

Building Workers Club Limited

ABN 30 001 912 661

Directors' declaration

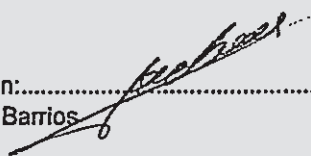
The directors declare that:

- a. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- b. in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards and giving a true and fair view of the financial position and performance of the company.

Signed in accordance with a resolution of the directors made pursuant to s.295 (5) of the *Corporations Act 2001*.

On behalf of the Directors

Chairman:.....
Mr Jose Barrios



Treasurer:.....
Mr Anthony Bleasdale



Dated: 5th October 2018

Building Workers Club Limited

ABN 30 001 912 661

Statement of profit or loss and other comprehensive income for the year ended 30 June 2018

	Note	2018 \$	2017 \$
Revenue	3	6,541,474	7,127,471
Other income	3	228,414	188,880
Bar stock purchases		(451,204)	(496,941)
Employee benefits expense	4	(1,645,702)	(1,524,667)
Depreciation and amortisation expense	4	(721,792)	(707,512)
Promotional expenses		(406,682)	(390,640)
Occupancy expenses		(809,038)	(705,855)
Administrative expenses		(251,316)	(324,374)
Poker machine taxes and levies		(1,003,324)	(1,124,135)
Other expenses		(436,522)	(536,081)
Surplus before tax		<u>1,044,308</u>	<u>1,506,146</u>
Income tax expense	5	(47,294)	(45,550)
Surplus for the year		997,014	1,460,596
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>997,014</u>	<u>1,460,596</u>

The accompanying notes form part of these financial statements

Building Workers Club Limited

ABN 30 001 912 661

Statement of financial position as at 30 June 2018

	Note	2018 \$	2017 \$
Assets			
Current assets			
Cash and cash equivalents	6	793,526	1,008,053
Trade and other receivables	7	124,754	53,642
Inventories	8	26,144	46,300
Financial assets	9	8,700,000	7,800,000
Other assets	10	86,732	68,922
Total current assets		<u>9,731,156</u>	<u>8,976,917</u>
Non-current assets			
Property, plant and equipment	11	10,547,704	10,299,349
Intangible asset	12	74,500	74,500
Total non-current assets		<u>10,622,204</u>	<u>10,373,849</u>
Total assets		<u>20,353,360</u>	<u>19,350,766</u>
Liabilities			
Current liabilities			
Trade and other payables	13	567,759	568,048
Current tax liabilities	14	11,082	39,171
Provisions	15	164,764	128,917
Total current liabilities		<u>743,605</u>	<u>736,136</u>
Non-current liabilities			
Provisions	15	18,325	21,647
Deferred tax liabilities	14	2,492	1,059
Total non-current liabilities		<u>20,817</u>	<u>22,706</u>
Total liabilities		<u>764,422</u>	<u>758,842</u>
Net assets		<u>19,588,938</u>	<u>18,591,924</u>
Equity			
Retained earnings		19,588,938	18,591,924
Total equity		<u>19,588,938</u>	<u>18,591,924</u>

The accompanying notes form part of these financial statements

Building Workers Club Limited

ABN 30 001 912 661

Statement of changes in equity for the year ended 30 June 2018

2018

	Retained earnings	Total
	\$	\$
Balance at 1 July 2017	18,591,924	18,591,924
Surplus for the year	997,014	997,014
Total comprehensive income for the year	997,014	997,014
Balance at 30 June 2018	<u>19,588,938</u>	<u>19,588,938</u>

2017

	Retained earnings	Total
	\$	\$
Balance at 1 July 2016	17,131,328	17,131,328
Surplus for the year	1,460,596	1,460,596
Total comprehensive income for the year	1,460,596	1,460,596
Balance at 30 June 2017	<u>18,591,924</u>	<u>18,591,924</u>

The accompanying notes form part of these financial statements

Building Workers Club Limited

ABN 30 001 912 661

Statement of cash flows for the year ended 30 June 2018

	2018	2017
Note	\$	\$
Cash flows from operating activities		
Receipts from trading activities and subscriptions	6,426,772	7,108,120
Payments to suppliers, employees and poker machine payouts	(4,969,206)	(5,241,541)
Interest received	228,414	188,880
Income taxes paid	(73,950)	(209,594)
Net cash generated by operating activities	<u>1,612,030</u>	<u>1,845,865</u>
Cash flows from investing activities		
Proceeds from sale of plant and equipment	-	7,135
Payments for property, plant and equipment	(926,557)	(668,392)
Payments to acquire financial assets	(900,000)	(5,800,000)
Net cash (used in) investing activities	<u>(1,826,557)</u>	<u>(6,461,257)</u>
Net (decrease) in cash and cash equivalents	(214,527)	(4,615,392)
Cash and cash equivalents at the beginning of the year	<u>1,008,053</u>	<u>5,623,445</u>
Cash and cash equivalents at the end of the year	<u>6 793,526</u>	<u>1,008,053</u>

The accompanying notes form part of these financial statements

Building Workers Club Limited

ABN 30 001 912 661

Notes to the financial statements for the year ended 30 June 2018

1. General information

Building Workers Club Limited (“the company” or “the club”) is a public company incorporated in Australia. The address of its registered office and principal place of business is as follows:

Building Workers Club Limited
247 Woodstock Avenue
Dharruk NSW 2770

The principal activity of the club during the financial year was that of a social and recreational club for trade unionists.

2. Significant accounting policies

Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards - Reduced Disclosure Requirements, and comply with other requirements of the law.

For the purposes of preparing the financial statements, the company is a not-for-profit entity.

The financial statements were authorised for issue by the directors on the date of the declaration signed by the directors.

Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The principal accounting policies are set out below.

(a) Revenue recognition

Rendering of services

Revenue and membership income are measured at the fair value of the consideration received or receivable.

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Notes to the financial statements for the year ended 30 June 2018

2. Significant accounting policies (cont'd)

(a) Revenue recognition (cont'd)

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(b) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to reporting date.

(c) Taxation

The *Income Tax Assessment Act 1936*, as amended, provides that clubs are only assessed for income tax on the proportion of income derived from non-members under the principle of mutuality. Due to the special basis for calculation of taxable income of clubs, it is not appropriate to compare tax payable with the net income disclosed in statement of profit or loss and other comprehensive income.

The amount shown in the financial statements as provision for income tax reflects the estimated balance of income tax payable in respect of the taxable income for the year.

Future income tax benefits are not brought to account in relation to timing differences, where benefits arise due to the different accounting periods in which items of revenue and expense are recognised for accounting and income tax purposes, as the amount of any subsequent benefit cannot be reasonably determined. The amount of future income tax benefit applicable is dependent upon the ratio of non-member income to total income in the year in which the entitlements are paid.

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Notes to the financial statements for the year ended 30 June 2018

2. Significant accounting policies (cont'd)

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories.

(e) Property, plant and equipment

Buildings held for use or for administrative purposes, are stated at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses (if any).

Freehold land is not depreciated.

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their estimated useful lives, using either the straight-line or diminishing value method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Class of property, plant and equipment	Depreciation rate
Buildings	2.5%
Furniture, fixtures and fittings	7.5 - 40%
Poker machines	14 - 40%
Plant, machinery and equipment	9 - 40%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(f) Intangibles

Intangible asset acquired separately

Rights of occupancy have been granted under licence agreements with The Federation of Community Sporting and Workers Club Inc. Licence fees are repayable on termination, and recorded at cost and have an indefinite useful life.

Intangible asset with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The carrying values are reviewed annually for impairment, to determine whether it exceeds recoverable value.

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Notes to the financial statements for the year ended 30 June 2018

2. Significant accounting policies (cont'd)

(g) Impairment of tangible and intangible assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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Notes to the financial statements for the year ended 30 June 2018

2. Significant accounting policies (cont'd)

(i) Financial instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: 'held-to-maturity' investments, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments.

Held-to-maturity investments

Term deposits with fixed or determinable payments and fixed maturity dates that the company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

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Notes to the financial statements for the year ended 30 June 2018

2. Significant accounting policies (cont'd)

(i) Financial instruments (cont'd)

Financial assets (cont'd)

Impairment of financial assets (cont'd)

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the company retains an option to repurchase part of a transferred asset), the company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Building Workers Club Limited

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Notes to the financial statements for the year ended 30 June 2018

2. Significant accounting policies (cont'd)

(i) Financial instruments (cont'd)

Financial liabilities

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(j) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(k) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

(l) Comparative amounts

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

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Notes to the financial statements for the year ended 30 June 2018

2. Significant accounting policies (cont'd)

(m) Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment

As described at Note 2(e) above, the company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

(n) Application of new and revised Accounting Standards

Amendments to AASBs and the new Interpretations that are mandatorily effective for the current year

In the current year, the company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period.

The application of these amendments does not have any material impact on the disclosures or the amounts recognised in the club's financial statements.

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Notes to the financial statements for the year ended 30 June 2018

2. Significant accounting policies (cont'd)

(n) Application of new and revised Accounting Standards (cont'd)

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 <i>Financial Instruments, and the relevant amending standards</i>	1 July 2018	30 June 2019
AASB 15 <i>Revenue from Contracts with Customers</i> , AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i> , AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i> , and AASB 2016-3 <i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	1 July 2019	30 June 2020
AASB 1058 <i>Income of Not-for-Profit Entities</i> , AASB 1058 <i>Income of Not-for-Profit Entities (Appendix D)</i> , AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	1 July 2019	30 June 2020
AASB Interpretation 23 <i>Uncertainty Over Income Tax Treatments</i> , AASB 2017- 4 <i>Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments</i>	1 July 2019	30 June 2020

Impact of adoption of AASB 9 Financial Instruments

AASB 9 applies to annual periods beginning on or after 1 July 2018. The directors do not anticipate that the application of AASB 9 in the future will have a material impact on amounts reported in respect of the company's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of AASB 9 until the company undertakes a detailed review.

Impact of adoption of AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. AASB 15 will supersede the current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of AASB 15 is that an entity should recognise revenue to depict the services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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Notes to the financial statements for the year ended 30 June 2018

2. Significant accounting policies (cont'd)

(n) Application of new and revised Accounting Standards (cont'd)

Impact of adoption of AASB 15 Revenue from Contracts with Customers (cont'd)

Under AASB 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The company recognises revenue from the following major sources:

- Poker machine revenue;
- Sale of food and beverages.

The directors of the company have assessed that revenue for each performance obligation will be recognised when control over the corresponding goods and services is transferred to the customer. This is similar to the current identification of separate revenue components under AASB 118. However, the directors of the company have not assessed the impact and it is not practicable to provide a reasonable estimate of the effect of AASB 15, until the company undertakes a detailed review.

The directors intend to use the modified method of transition to AASB 15 which means the company will apply AASB 15 only from the date of initial application.

AASB 1058 Income of Not-for-Profit Entities

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These Standards supersede the NFP income recognition requirements previously in AASB 1004 Contributions (with the exception of certain matters relating to public sector NFP entities) as well as current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related Interpretations when they become effective.

The timing of income recognition depends on whether such a transaction gives rise to a liability or their performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

Key requirements of AASB 1058

This Standard applies when a NFP entity receives volunteer services or enters into other transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity recognises and measures the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment).

Upon initial recognition of the asset, this Standard requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:

- (a) contributions by owners;
- (b) revenue, or a contract liability arising from a contract with a customer;
- (c) a lease liability;
- (d) a financial instrument; or
- (e) a provision.

These related amounts are accounted for in accordance with the applicable Australian Accounting Standard.

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Notes to the financial statements for the year ended 30 June 2018

2. Significant accounting policies (cont'd)

(n) Application of new and revised Accounting Standards (cont'd)

Key requirements of AASB 1058 (cont'd)

The Standard also prescribes specific accounting requirements for a transaction which is a transfer of a financial asset to enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity (i.e. an in-substance acquisition of a non-financial asset) and volunteer services.

Entities can choose to apply this Standard retrospectively (which requires restatement of comparatives with certain practical expedients allowed) or to use a modified approach (where comparatives are not restated but the cumulative effect of initial application will be adjusted through opening retained earnings on the date of initial application).

3. Revenue

The following is an analysis of the company's revenue for the year from continuing operations:

	2018	2017
	\$	\$
Revenue		
Sale of food and beverages	1,111,774	1,262,381
Poker machine revenue	5,007,750	5,483,522
Other revenue	421,950	381,568
	<u>6,541,474</u>	<u>7,127,471</u>
Other income		
Interest income:		
Bank deposits	<u>228,414</u>	<u>188,880</u>

4. Surplus for the year

Surplus for the year has been arrived at after charging:

(a) Depreciation expense

- buildings	244,334	238,819
- fixtures and fittings	34,183	34,156
- poker machines	247,826	247,627
- plant, machinery and equipment	188,197	186,910
- motor vehicles	7,252	-
Total depreciation expense	<u>721,792</u>	<u>707,512</u>

(b) Employee benefits

- post-employment benefits	128,860	121,549
- other employee benefits	1,516,842	1,403,118
Total employee benefits expense	<u>1,645,702</u>	<u>1,524,667</u>

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Notes to the financial statements for the year ended 30 June 2018

	2018 \$	2017 \$
5. Income tax		
Current tax expense	47,294	45,550
The prima facie tax on profit from ordinary activities before income tax expense is reconciled to the income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2017: 30%)	313,292	451,844
Less:		
Tax effect of:		
- non-taxable member income arising from principle of mutuality and other items	(265,998)	(406,294)
Income tax attributable to entity	47,294	45,550

6. Cash and cash equivalents

Cash on hand	200,500	163,950
Cash at bank	375,042	699,326
Short-term bank deposits	217,984	144,777
	793,526	1,008,053

Reconciliation of cash

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Cash and cash equivalents	793,526	1,008,053
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7. Trade and other receivables

Trade receivables	124,754	53,642
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There are no credit terms attached to the trade receivables.

8. Inventories

At net realisable value:

Showcase	844	-
Liquor and bar sundries	25,300	46,300
	26,144	46,300

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Notes to the financial statements for the year ended 30 June 2018

2018
\$

2017
\$

9. Financial assets

Current

Held-to-maturity financial assets:

Term deposit (i) 8,700,000 7,800,000

(i) The company holds term deposits that carry interest at fixed rates.

10. Other assets

Prepayments 86,732 68,922

11. Property, plant and equipment

Land and buildings

Land
At cost 1,873,633 1,873,633

Buildings
At cost 9,720,639 9,535,645
Accumulated depreciation (3,112,446) (2,868,111)
6,608,193 6,667,534

Total land and buildings 8,481,826 8,541,167

Plant and equipment

Poker machines
At cost 5,098,594 4,720,947
Accumulated depreciation (3,924,940) (3,677,050)
1,173,654 1,043,897

Plant, machinery and equipment
At cost 3,933,053 3,638,974
Accumulated depreciation (3,212,049) (3,023,853)
721,004 615,121

Furniture, fixture and fittings
At cost 808,552 759,887
Accumulated depreciation (693,736) (660,723)
114,816 99,164

Motor vehicles
At cost 159,765 96,110
Accumulated depreciation (103,361) (96,110)
56,404 -

Total plant and equipment 2,065,878 1,758,182

Total property, plant and equipment 10,547,704 10,299,349

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Notes to the financial statements for the year ended 30 June 2018

11. Property, plant and equipment (cont'd)

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current year:

	Land	Buildings	Poker machines	Plant, machinery and equipment	Furniture, fixtures and fittings	Motor vehicle	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning of year	1,873,633	6,667,534	1,043,897	615,121	99,164	-	10,299,349
Additions	-	184,993	414,553	294,080	49,835	63,656	1,007,117
Disposals	-	-	(36,970)	-	-	-	(36,970)
Depreciation expense	-	(244,334)	(247,826)	(188,197)	(34,183)	(7,252)	(721,792)
Balance at the end of the year	<u>1,873,633</u>	<u>6,608,193</u>	<u>1,173,654</u>	<u>721,004</u>	<u>114,816</u>	<u>56,404</u>	<u>10,547,704</u>

12. Intangible asset

	2018	2017
	\$	\$
Rights of occupancy, at cost	74,500	74,500
Accumulated amortisation and impairment	-	-
Net carrying amount	<u>74,500</u>	<u>74,500</u>

Movement in the carrying amounts for intangible asset between the beginning and the end of the current year:

	Rights of occupancy, at cost
	\$
Balance at the beginning of the year	74,500
Additions	-
Disposals	-
Balance at the end of the year	<u>74,500</u>

Rights of occupancy have been granted under license agreements with The Federation of Community Sporting and Workers Clubs Inc. License agreements are recorded at cost. The license agreements state that the fees are repayable on termination, and have an indefinite useful life. The carrying values are reviewed annually for impairment, to determine whether it exceeds recoverable value.

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Notes to the financial statements for the year ended 30 June 2018

13. Trade and other payables

	2018	2017
	\$	\$
Trade payables	317,688	195,378
Sundry payables and accrued expenses	250,071	372,670
	<u>567,759</u>	<u>568,048</u>

No interest is charged on the trade payables. The company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

14. Tax

Current tax liability	11,082	39,171
Deferred tax liability	2,492	1,059

15. Provisions

Employee benefits	<u>183,089</u>	<u>150,564</u>
Current	164,764	128,917
Non-current	<u>18,325</u>	<u>21,647</u>
	<u>183,089</u>	<u>150,564</u>

The provision for employee benefits represents annual leave and vested long service leave entitlements accrued.

16. Key management personnel compensation

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

	2018	2017
	\$	\$
Key management personnel compensation	<u>133,745</u>	<u>52,638</u>

17. Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The total payments made to directors during the year for allowances of travel, meal and for attendances of board meetings and committee meetings are as follows:

	2018	2017
	\$	\$
Resolution 1	3,325	3,078
Resolution 2	5,080	5,400
Total	<u>8,405</u>	<u>8,478</u>

Building Workers Club Limited

ABN 30 001 912 661

**Notes to the financial statements
for the year ended 30 June 2018**

18. Contingent liabilities and contingent assets

In the opinion of the directors, the company did not have any contingent assets or liabilities at 30 June 2018 (30 June 2017: nil).

19. Events occurring after the reporting date

There were no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Independent Auditor's Report to the Members of Building Workers Club Limited

Opinion

We have audited the financial report of Building Workers Club Limited (the "Company"), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the director's declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company 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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors' of the Company, would be in the same terms if given to the directors' as at the time of this auditor's report.

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

Other information

The directors' are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018 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 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 Regime 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 has no realistic alternative but to do so.

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.

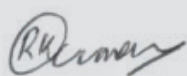
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors'.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

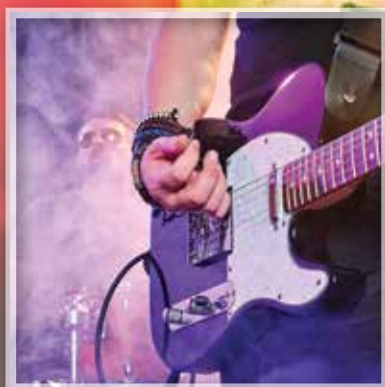


Rajnil Kumar
Partner
Chartered Accountants
Parramatta, 10 October 2018

Notes

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“There are no strangers here;
Only *friends* you haven't met yet.”

WILLIAM BUTLER YEATS



BUILDING WORKERS CLUB

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