

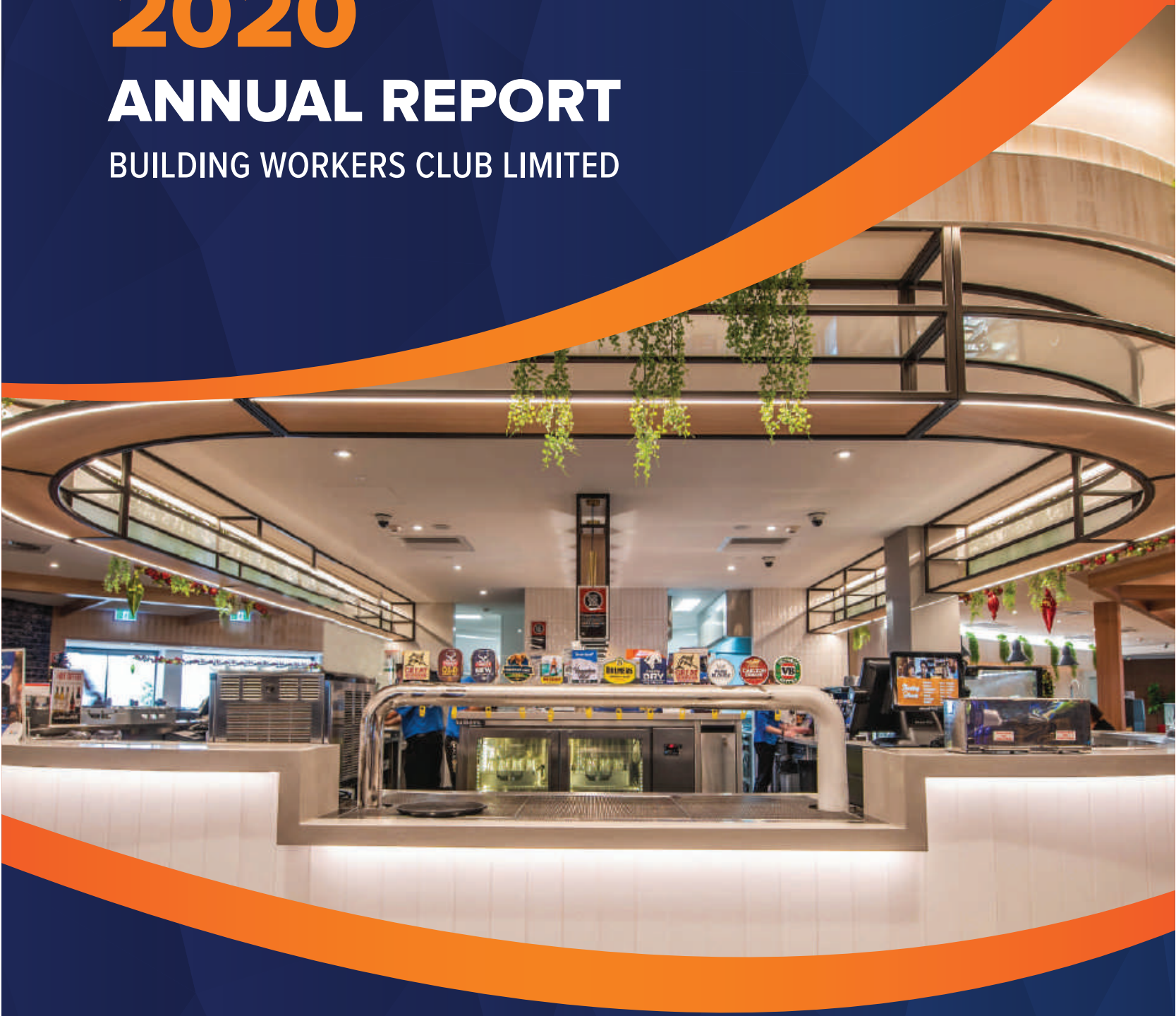


2020

ANNUAL REPORT

BUILDING WORKERS CLUB LIMITED

YEAR ENDING 30 JUNE 2020
ABN 30 001 912 661



Our Directors



Jose (Mario) Barrios
President



Ben Manna
Vice President



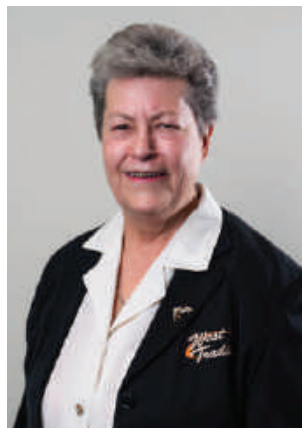
Rebel Hanlon
Vice President



Tony Bleasdale OAM
Treasurer



John Scott
Director



Doreen O' Grady
Director



Mark Cunningham
Director



Rod Jarman
Director



Notice of Annual General Meeting

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

Sunday, 29th November 2020, commencing at 11.00am

in the Tradies Function Room at the Club's premises 247 Woodstock Avenue, Dharruk, New South Wales

Agenda

1. To confirm minutes of the Annual General Meeting held on 8th December 2019
 2. To receive and consider the Chairman's Message.
 3. To receive and consider the Honorary Treasurer's Message.
 4. To receive and consider the Financial Report, Director's Report and Auditor's Report for the 12 months ending 30 June 2020.
 5. To consider and if thought fit pass the two Ordinary Resolutions as set out in this Notice.
 6. To declare the results of the ballot for the election of Directors.
 7. To deal with any other business of which due notice has been given to members.
- Questions by Members**
- Members are requested to advise the General Manager in writing seven (7) working days prior to the date of the Annual General Meeting, of any questions relating to the Financial Report which require research. Questions without notice may not be able to be answered at the meeting.
- Copies of the Annual Report**
- Any member wishing to obtain a copy of the Annual Report containing (among other things) the Directors' Report, Financial Report and Auditor's Report for the financial year ended 30 June 2020 may make a written request to the Club (including by email) and the Annual Report will be sent to that member. Alternatively, the Annual Report can be viewed online at www.westtradies.com.au.
- Ordinary Resolutions**
- 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 and 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 in 2021:
 - (i) President - \$2,000.00.
 - (ii) Ordinary Directors - \$1,500.00 each.
- (b) The honorariums in paragraph (a) are to be paid quarterly installments 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 subcommittee 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.

Election of Directors

- For the purposes of and with effect from this Annual General Meeting and thereafter, the Board shall consist of seven (7) Directors comprising the office bearers being a Chairperson, a Vice Chairperson and Treasurer and four (4) Ordinary Directors.
- The members elect seven (7) Directors and, at the first meeting of the Directors after this AGM, those seven (7) Directors elect from among their number the officer bearers.
- Members who are interested in nominating for election to the Board should refer to the eligibility requirements in the Club's Constitution. A copy of the Constitution can be obtained on request to the Chief Executive Officer.
- A Notice calling for nominations for election to the Board will be published on the Club noticeboard on 1st November 2020.
- Nominations are invited on Monday 2nd November 2020.
- Nominations for election to the Board will close at 12 noon on Sunday 15th November 2020.
- The name of each candidate and his/her proposers will be published on the Club noticeboard on the day each nomination is received by the Club.
- If more than seven (7) candidates are nominated by the close of nominations, a ballot will be held. Financial Ordinary members and Life members only will be eligible to vote in the ballot. If it is necessary to hold a ballot, notice of this will be published on the Club's website on 16th November 2020.
- Members who are eligible to do so can attend the Club to vote in the ballot for the election of Directors on the following dates and times:

Thursday 26 November 2020

11am-3pm and 5pm-8pm

Friday 27 November 2020

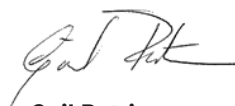
11am-3pm and 5pm-8pm

Saturday 28 November 2020

11am-3pm and 5pm-8pm

- The result of the ballot will be declared at the Annual General Meeting on Sunday 29th November 2020.

By direction of the Board



Gail Patrin
General Manager

President's Message



Dear Members

As the ultimate optimist, 2020 has been an extraordinary year for us at West Tradies. Great plans were underway at the Club with major redevelopment and extensive refurbishment, a clear and certain plan to boost membership, drive visitation and improve financial performance. However, COVID-19 was not in our plan and our way of life had to change. One thing that is certain, we know that adjusting to change can be challenging, be it planned or unplanned.

While many businesses have been crippled by coronavirus, whether from loss of customers, trading restrictions or supply issues, some like us, have managed to not only survive but reinvent ourselves and tackle the challenges as a team during the pandemic.

When the obligatory shut down occurred and prior to the Job Keeper announcement from the Government, the Board acknowledge staff are like family and we need to assist them. The Board without question, gave every staff member 4 weeks paid leave to support them during the initial stages and gave every one of them assurance their jobs would be waiting for them when we reopened.

The Board also agreed that Management and staff should continue with our pre-pandemic investment in training and development plans. Staff were supported to either work remotely or effectively within the guidelines to embrace the new norm. Pre-pandemic, who would've thought that toilet paper could become as precious as gold and we will start to holiday in our own backyard!!

Regardless of these shifts in our lives, our efforts and resilience paid off, as when we reopened in June along with the support of the Governments Job- Keeper/Job Seeker initiative we were open for business and able to welcome you back again, albeit hygiene regulations became commonplace.

Since June, the Club has experienced exceptional trade thanks to Members, and our forecasted end of financial year loss has not been as extreme as anticipated. Equally, we are grateful that even though the way we now socialize and connect looks different in these unprecedented times, it's more important than ever to stay connected at West Tradies.

While the renovations of 2019 inevitably effected our bottom line, the next stage of renovation will provide a

much-needed family outdoor lounge and BBQ area. The construction also includes an extension to the main lounge, dance floor, entertainment area, auditorium refurbishment and expansion of the outdoor gaming area.

The improvements will include two large screen TV's, a children's playground, a central bar servicing the auditorium and outdoor area. This revitalised entertainment precinct will benefit all family members and be completed hopefully by early 2021. We look forward to welcoming Members and guests to our many special family focused events in the coming year.

While West Tradies is determined to surge ahead with our plans to provide a venue of excellence for Members and guests, we are mindful and remorseful for Members who have passed or lost a loved one during the year. Our thoughts and prayers are with you.

During this challenging time the safety and wellbeing of our employees and the Clubs continuity was of utmost importance to the Board. Gail and her Management team identify where to free up capacity and redeploy skills where most needed. In order to navigate through a crisis, you need a good collaborative team to ensure business continuity.

Consequently, I would like to acknowledge both Management and staff for their continued efforts in these challenging times and in particular, in restoring a sense of community and belongingness to West Tradies.

On behalf of the Board of Directors, I would like to take this opportunity to thank all Members for your continued loyalty and support. We hope you all to stay safe and our best wishes for Christmas and the New Year.

Finally, as the ultimate optimist, while 2020 has challenged the way we think and behave, I believe it has shaped us at West Tradies and post- pandemic a rising culture of can-do-ism and entrepreneurial boldness is our new plan.

A handwritten signature in black ink, appearing to read "Jose Barrios". The signature is written in a cursive style and is positioned above the printed name and title.

Jose (Mario) Barrios
President

Treasurer's Message



Dear Members

It is often said that Milestones are seen as powerful components in our lives because they show key events and act as signposts either in business or our personal life. The year 2020 signifies both these areas for me.

Personally, the milestone commemorates my 13 years as Treasurer for West Tradies, a position I hold with humility. The business milestone for 2020 however, will be remembered for shutdowns and the prohibiting of friendly gestures of hugs and handshakes, to be replaced with elbow bumps and foot-shakes or waves from a social distance. Conversely, West Tradies milestone will be that 2020 was the time that we paused but was cautiously eyeing a return.

No doubt COVID-19 has affected the day to day life as we know it. Not only from a global perspective but from an individual and community perspective. While the shutting down of our doors on 23rd March 2020 was confronting for our business, we remained positive. Our first priority was our staff and staying connected to our community.

Thanks to our General Manager Gail and her Management team, they achieved this with regular check-ins and with the financial support of Job-Keeper. Staff attend to regular Club maintenance and upkeep of the gardens during this time. Since reopening on June 1, the Club's increase in revenue has enabled us to provide financial support to several community groups under the Clubgrants Scheme.

- \$37,500 Donated to Better Foundation Blacktown / Mt. Druitt Hospital (Purchase of 5 Infusion pumps and 3 non-invasive pieces of ventilation equipment)
- \$13,000 Rosie's Place –Home but not alone project (Children affected by COVID access to participate in online group projects)
- \$6,000 Youth Off The Streets – Blacktown outreach program (Provides early intervention for youth at risk)

This year our community donations totaled \$67,000. Thanks to our Members our Club plays a major role in the local community providing much needed resources and service for the less fortunate in our midst.

With restrictions easing, we are cautiously rotating back into working shifts, and embracing the new norm. From a financial position since reopening, the Club is continuing to trade well and while our budget forecast for 2020 was a loss of \$500,000, our current position is a much less at -\$151,130, which was better than anticipated.

Thankfully, the Club was in a good financial state prior to COVID with 10 years of continued profit and though there has been challenges our plans to provide our Members with a newly renovated venue will continue under the watchful eye of our General Manager and her team.

As we pivot and adjust to our new normal (whatever form it may take), it's important to acknowledge and thank my fellow Board Members for their dedication and support, along with the Management team and staff that strive to provide our Members and guests excellence in customer service on a daily basis.

Finally, to you the Members, who's Milestone is constant as you make this Club a great place to visit and enjoy each other's company. We look forward to bringing you new developments that will enhance your visits to West Tradies in the future.

A handwritten signature in black ink, appearing to read "Tony Bleasdale".

Tony Bleasdale OAM
Honorary Treasurer

General Manager's Message



Dear Members

I'm pleased to present the Annual Report and Financial Statements for Wests Tradies for the year ended 30th June 2020.

The year 2020 saw us facing pervasive unpredictability that impacted our lives, our families, our work and our world as we know it. The effects of COVID-19 pandemic are anything but equitable between the privileged or the disadvantaged in our society. In this environment of extreme uncertainty we not only managed the COVID risks responsibly but found new opportunities to connect with the vulnerable in our community.

We are by nature social creatures, so when we had to introduce elbow bumps, face masks, lock downs and social distancing, we all had to construct a new way of living. While these restrictions are the new norm and can take a toll on our team, our focus has always been (and always will be) on providing Members with excellent facilities and customer service while supporting staff and our community.

Despite all the setbacks and disruptions caused by major renovations, management changes and the devastating impact of the COVID -19 pandemic, the Club was in a good financial position to cope with the challenges. Through the commitment and the united efforts of the Board, management and staff, we have been able to show great resilience as an organisation and a team.

Initially, the end of year projections were estimated to be half a million loss, however we faced the situation head on and embraced what we needed to do to support our members, the staff and the Club. I am delighted to report that the Club has been trading exceptionally well since reopening in June and the end of year result, while still a loss is just a little over one hundred and fifty thousand dollars, considerably less than anticipated.

Acknowledging 2020 has been enormously disruptive, we have noted that crises and challenges also invariably nurture the emergence of great common purpose, solidarity, creativity, and improvisation. This has led to a shift in expectations, workplace culture and we have found new meaning to connectivity at West Tradies.

Similarly, we wanted to give back to the members and community who needed the Club's support. For members, we were able to drive specific promotions for Food and Beverage, and reinstate our raffles, bingo and live (solo) entertainment. For our community groups Rosie's Place, Youth Off the Streets and Better Foundation/Mt Druitt Hospital we were able to contribute to much needed causes through Club Grants. We

are diligent in our endeavour to provide our members and community a COVID Safe environment to unite and reconnect and we appreciate everyone adapting to the COVID-19 restrictions and adhering to the Clubs COVIDSafe policy.

During the 9-week period of shutdown the Club staff and management regrouped with Job Keeper's support, our focus was on positive outcomes for the future. We were able to accelerate staff training and unite the new management team to improve our Club operations and facilities. The Club had to remain agile, adapt to face adversity and day-to-day COVID-19 restrictions and changes which affect our everyday lives.

West Tradies focus remains on the community and the families that make up our membership. As always, the safety of our members and staff is our highest priority. We keep this in mind as we continue to evolve and work towards making the Club a vibrant, family friendly precinct for all to enjoy with further upgrades planned to be completed in February 2021. These next extensions will complement our already refurbished areas and provide a variety of new and improved entertainment facilities for the comfort and enjoyment of all members and guests.

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 year 2020 has been a challenging for all however, I would like to take this opportunity to thank the Board of Directors for their dedication, direction and continued support.

We all need a strong sense of identity and belonging and from what I have witnessed as General Manager in 2020 the staff are no exception. Therefore, I would also like to thank management and staff for their teamwork, commitment, diligence and loyalty.

I hope they realise how valued they are and continue to be confident and passionate in their customer service roles, for when other crises may strike, we need individuals and organisations like West Tradies to be able to overcome them.

Stay safe and I hope to see you at the Club soon.

A handwritten signature in black ink, appearing to read "Gail Patrin".

Gail Patrin
General Manager

Exciting New Entertainment Destination due for completion February 2021



Artist Impressions Only

- **Outdoor lounge with Large TV Screens & Outdoor Deck**
- **Central Bar**
- **Children's Play Structures and Playground**

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, 2019 to June 30, 2020.
- 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 Directors..... 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, 2019 to June 30, 2020.

41H (1) (B)

The value of the remuneration packages of the highest executives being paid over \$100,000 a year \$282,563

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..... \$21,645

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 agreement..... 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, 2020 \$4,651,753

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, 2020 \$67,597

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.

Director's 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 2020. 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
Ms Doreen O'Grady
Mr John Scott
Mr Rod Jarman
Mr Mansour Razaghi (resigned February 2020)
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.

Review of operations

During the financial year, loss from normal activities after providing for income tax amounted to \$151,130 (2019: profit of \$578,872).

The company's operations during the year performed as expected in the opinion of the directors.

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;
- Provide a club that caters for the needs of our members and community
- 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.
- Attract, train and retain, high quality personnel to deliver exemplary customer service.

Director's Report

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 2020	Benchmark 2020	Actual 2019	Benchmark 2019
Net Gaming Machine revenue (per machine per day)	\$75.78	\$130	\$96.15	\$130
Cost of goods sold (% to net bar sales)	44.67%	42%	42.16%	42%
Total wages (% to net sales)	30.08%	18%	26.32%	18%
EBITDA* (% to net sales)	14.48%	25%	18.90%	25%
PEMA ** (% to net sales)	4.25%	6%	4.26%	6%
Number of members	5,833	-	6,861	-
Number of visitors	17,318	-	17,939	-

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

** (Promotions, entertainment, marketing and advertising)

Information about the directors

Mr Jose Barrios	President ("Chairman")
Experience	Director < 9 years
Special responsibilities	Ex-officio on all Committees
Mr Anthony Bleasdale	Honorary Treasurer
Experience	Director < 13 years
Special responsibilities	Finance Committee, Building Committee
Mr Rebel Hanlon	Vice President
Experience	Director < 11 years
Special responsibilities	Building Committee
Mr Benito Luciano Manna	Vice President
Experience	Director < 3 year
Special responsibilities	Judiciary Committee, Building Committee
Ms Doreen O'Grady	Director
Experience	Director < 14 years
Special responsibilities	Judiciary Committee, Accounts Committee
Mr John Scott	Director
Experience	Director < 14 years
Special responsibilities	Accounts Committee, Judiciary Committee

Director's Report

Information about the directors (cont'd)

Mr Rod Jarman Director
Experience Director < 10 years

Mr Mansour Razaghi Director (resigned)
Experience Director < 6 years

Mr Mark Cunningham Director
Experience Director < 4 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, 70 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	14	14	17	-	-	\$90	\$90
Mr Anthony Bleasdale	14	14	5	-	-	\$91	\$91
Mr Rebel Hanlon	14	13	-	-	-	\$71	\$71
Mr Benito Luciano Manna	14	9	7	-	-	\$52	\$52
Ms Doreen O'Grady	14	12	36	\$960	\$1,400	\$62	\$2,422
Mr John Scott	14	14	37	\$800	\$1,240	\$73	\$2,113
Mr Rod Jarman	14	8	-	-	-	-	-
Mr Mansour Razaghi	7	7	-	-	-	\$52	\$52
Mr Mark Cunningham	14	13	-	\$240	-	\$82	\$322
				\$2,000	\$2,640	\$573	\$5,213

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 other than the resignation of one of the Directors during the year, Mr. Mansour Razaghi.

Subsequent events

Subsequent to the end of the financial year there continues to be considerable economic impacts in Australia and globally arising from the outbreak of the COVID-19 virus and Government actions to reduce the spread of the virus. The outbreak of COVID-19 has impacted on revenue streams of the Club in the current financial year. In particular, gaming revenue and sales from food and beverage have all been impacted. As the severity and duration of the economic impact of COVID-19 is unknown at the date of signing the financial report the company is unable to determine what financial effects the outbreak of the virus may have on the company in the coming financial period. Furthermore, during the year to 30 June 2020, the Club received \$216,000 in Jobkeeper support and \$50,000 of cash flow boost. However, the company is not eligible for JobKeeper payments after September 2020.

Director's Report

No future financial effects arising from the economic impacts of the virus have been included in the financial results for the year ended 30 June 2020.

There has not been any other 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.

Environmental regulations

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

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 \$116,660 (2019: \$137,220).

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 Barrios

Treasurer:
Mr Anthony Bleasdale

Dated this 9th day of October 2020

9 October 2020

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

Dear Board Members

Auditor's Independence Declaration to 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 report of Building Workers Club Limited for the financial year ended 30 June 2020, 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; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Rajnil Kumar
Partner
Chartered Accountants

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: 9 October 2020

Building Workers Club Limited

ABN 30 001 912 661

Statement of profit or loss and other comprehensive income for the year ended 30 June 2020

		2020	2019
	Note	\$	\$
Revenue	3	5,114,771	6,293,386
Other income	3	443,593	291,590
Bar stock purchases		(400,690)	(465,208)
Employee benefits expense	4	(2,021,058)	(1,859,346)
Depreciation expense	4	(1,074,905)	(778,576)
Promotional expenses		(281,682)	(411,931)
Occupancy expenses		(659,802)	(769,255)
Administrative expenses		(310,172)	(269,613)
Poker machine taxes and levies		(764,467)	(945,763)
Other expenses	4	(386,961)	(433,774)
Loss/Surplus before tax		<u>(341,373)</u>	<u>651,510</u>
Income tax benefit/expense	5	<u>190,243</u>	<u>(72,638)</u>
Loss/Surplus for the year		(151,130)	578,872
Other comprehensive income for the year		-	-
Total comprehensive loss/income for the year		<u><u>(151,130)</u></u>	<u><u>578,872</u></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 2020

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	6	3,537,283	961,000
Trade and other receivables	7	141,936	78,911
Inventories	8	32,544	25,567
Financial assets	9	400,000	7,000,000
Current tax assets	14	8,429	-
Other assets	10	85,085	149,580
Total current assets		<u>4,205,277</u>	<u>8,215,058</u>
Non-current assets			
Property, plant and equipment	11	16,537,430	13,254,129
Intangible asset	12	74,500	74,500
Deferred tax asset	14	23,615	-
Total non-current assets		<u>16,635,545</u>	<u>13,328,629</u>
Total assets		<u>20,840,822</u>	<u>21,543,687</u>
Liabilities			
Current liabilities			
Trade and other payables	13	608,406	1,103,506
Current tax liabilities	14	-	69,987
Provisions	15	197,325	194,631
Total current liabilities		<u>805,731</u>	<u>1,368,124</u>
Non-current liabilities			
Provisions	15	18,411	3,631
Deferred tax liabilities	14	-	4,122
Total non-current liabilities		<u>18,411</u>	<u>7,753</u>
Total liabilities		<u>824,142</u>	<u>1,375,877</u>
Net assets		<u>20,016,680</u>	<u>20,167,810</u>
Equity			
Retained earnings		<u>20,016,680</u>	<u>20,167,810</u>
Total equity		<u>20,016,680</u>	<u>20,167,810</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 2020

2020

	Retained earnings \$	Total \$
Balance at 1 July 2019	20,167,810	20,167,810
Loss for the year	(151,130)	(151,130)
Total comprehensive income for the year	(151,130)	(151,130)
Balance at 30 June 2020	<u>20,016,680</u>	<u>20,016,680</u>

2019

	Retained earnings \$	Total \$
Balance at 1 July 2018	19,588,938	19,588,938
Surplus for the year	578,872	578,872
Total comprehensive income for the year	578,872	578,872
Balance at 30 June 2019	<u>20,167,810</u>	<u>20,167,810</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 2020

	2020	2019
Note	\$	\$
Cash flows from operating activities		
Receipts from trading activities and subscriptions	5,562,875	6,339,229
Payments to suppliers, employees and poker machine payouts	(5,123,938)	(5,349,389)
Government assistance received	266,000	-
Interest received	83,207	291,590
Income tax refunded/paid (net)	84,090	(12,103)
Net cash generated by operating activities	<u>872,234</u>	<u>1,269,327</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(5,010,142)	(2,894,204)
Proceeds from sale of property, plant and equipment	114,191	92,351
Proceeds from investments	6,600,000	1,700,000
Net cash used in investing activities	<u>1,704,049</u>	<u>(1,101,853)</u>
Net increase/(decrease) in cash and cash equivalents	2,576,283	167,474
Cash and cash equivalents at the beginning of the year	961,000	793,526
Cash and cash equivalents at the end of the year	<u>6</u> <u>3,537,283</u>	<u>961,000</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 2020

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 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.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Revenue recognition

The company applies the following 5-step model for revenue recognition related to contracts with customers:

- i. Identify the contract(s) with customer
- ii. Identify the performance obligation in the contract
- iii. Determine the transaction price
- iv. Allocate the transaction price to the performance obligation in the contract
- v. Recognise revenue when or as the entity satisfied in performance obligations.

The company recognises sales revenue related to the transfer of promised goods or services when a performance obligation is satisfied and when control of the goods or services passes to the customer. The amount of revenue recognised reflects the consideration to which the company is or expects to be entitled in exchange for those goods or services.

Building Workers Club Limited

ABN 30 001 912 661

Notes to the financial statements for the year ended 30 June 2020

2. Significant accounting policies (cont'd)

(a) Revenue recognition (cont'd)

The company recognises revenue predominantly from the following services:

Poker machine revenue

Poker machine revenue is the net difference between gaming wins and losses and is recognised at a point in time upon the outcome of the game.

Food and beverages revenue

Food and beverage revenue is recognised at a point in time as the goods are provided.

Other revenue

Other revenue is mainly comprised of the events held by the Club. Revenue from events is recognised once the event has occurred.

Government grants

The Club has received government grants during the year in form of Jobkeeper support and cash flow boost.

When the Club receives government grants, it performs an assessment to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied.

In all other cases, the transaction is accounted for under AASB 1058 where the company recognises income at the immediate point in time in profit or loss for the excess of the initial carrying amount of the asset over any related amounts recognised.

(b) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and 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 employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement, plus related on-costs.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months 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, plus related on-costs

(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.

Building Workers Club Limited

ABN 30 001 912 661

Notes to the financial statements for the year ended 30 June 2020

2. Significant accounting policies (cont'd)

(c) Taxation (cont'd)

Deferred tax asset 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 deferred tax asset applicable is dependent upon the ratio of non-member income to total income in the year in which the entitlements are paid.

(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.

Building Workers Club Limited

ABN 30 001 912 661

Notes to the financial statements for the year ended 30 June 2020

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 reporting date, taking into account the risks and uncertainties surrounding the obligation. Where 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.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the 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.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risk specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Building Workers Club Limited

ABN 30 001 912 661

Notes to the financial statements for the year ended 30 June 2020

2. Significant accounting policies (cont'd)

(i) Financial instruments

Financial assets and financial liabilities are recognised in the company's statement of financial position when the company 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

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.

All recognised financial assets are measured subsequently in their entirety at amortised cost.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company's financial assets at amortised cost includes trade receivables.

Amortised cost and effective interest method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Impairment of financial assets

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables.

Building Workers Club Limited

ABN 30 001 912 661

Notes to the financial statements
for the year ended 30 June 2020

2. Significant accounting policies (cont'd)

(i) Financial instruments (cont'd)

Financial liabilities (cont'd)

Subsequent measurement

The measurement of financial liabilities depends on their classification.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. 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.

Building Workers Club Limited

ABN 30 001 912 661

Notes to the financial statements
for the year ended 30 June 2020

2. Significant accounting policies (cont'd)

(l) 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.

(m) Comparative amounts

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

(n) Application of new and revised Accounting Standards

New and amended Accounting Standards that are effective for 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.

Building Workers Club Limited

ABN 30 001 912 661

Notes to the financial statements
for the year ended 30 June 2020

2. Significant accounting policies (cont'd)

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

AASB 16 Leases

AASB 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged.

The date of initial application of AASB 16 for the company is 1 July 2019.

The change in definition of a lease mainly relates to the concept of control. AASB 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in AASB 117 and Interpretation 4.

AASB 16 changes how the company accounts for leases previously classified as operating leases under AASB 117, which were off balance sheet.

Applying AASB 16, for all leases (except as noted below), the company:

- Recognises right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments
- Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated statement of cash flows.

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

Building Workers Club Limited

ABN 30 001 912 661

Notes to the financial statements
for the year ended 30 June 2020

2. Significant accounting policies (cont'd)

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

At the date of authorisation of the financial statements, the company has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
<i>AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business</i>	1 January 2021	30 June 2021
<i>AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material</i>	1 January 2021	30 June 2021
<i>AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework</i>	1 January 2021	30 June 2021
<i>AASB 2019-3 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform</i>	1 January 2021	30 June 2021
<i>AASB 2019-5 Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia</i>	1 January 2021	30 June 2021
<i>AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Entities</i>	1 January 2021	30 June 2021

Building Workers Club Limited

ABN 30 001 912 661

Notes to the financial statements for the year ended 30 June 2020

3. Revenue

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

	2020	2019
	\$	\$
Revenue		
Poker machine revenue	3,810,130	4,794,963
Food and beverages revenue	881,325	1,027,513
Other revenue	423,316	470,910
	<u>5,114,771</u>	<u>6,293,386</u>
Other income		
Government assistance	266,000	-
Interest income	83,207	240,573
Gain on disposal of property, plant and equipment	94,386	51,017
	<u>443,593</u>	<u>291,590</u>

4. Loss/Surplus for the year

Loss/Surplus for the year has been arrived at after charging:

(a) Depreciation expense

- buildings	336,165	247,732
- fixtures and fittings	64,182	36,728
- poker machines	462,379	280,690
- plant, machinery and equipment	199,413	200,694
- motor vehicles	12,766	12,732
Total depreciation expense	<u>1,074,905</u>	<u>778,576</u>

(b) Employee benefits

- post-employment benefits	139,298	145,153
- other employee benefits	1,881,760	1,714,193
Total employee benefits expense	<u>2,021,058</u>	<u>1,859,346</u>

(c) Other expenses

- subscription	107,254	112,206
- utilities	94,503	97,174
- poker machine and tab operating fees	90,007	116,387
- other expenses	95,197	108,007
Total other expenses	<u>386,961</u>	<u>433,774</u>

Building Workers Club Limited

ABN 30 001 912 661

Notes to the financial statements for the year ended 30 June 2020

	2020 \$	2019 \$
5. Income tax credit/expense		
Current tax benefit/expense, including adjustments relating to prior period	(162,506)	71,008
Deferred tax benefit/expense	(27,737)	1,630
	<u>(190,243)</u>	<u>72,638</u>

The prima facie tax on profit from ordinary activities before income tax expense is reconciled to the income tax as follows:

Prima facie tax (credit)/payable on loss/profit from ordinary activities before income tax at 27.5% (2019: 27.5%)	(93,878)	179,165
Tax effect of:		
- non-taxable member income arising from principle of mutuality	(974,685)	(1,125,466)
- non-deductible expenses arising from principle of mutuality and other items	1,040,830	987,762
- adjustments recognised in the current year in relation to the prior year tax expense	(162,510)	31,177
Income tax attributable to entity	<u>(190,243)</u>	<u>72,638</u>

6. Cash and cash equivalents

Cash on hand	230,500	200,500
Cash at bank	496,828	357,230
Short-term bank deposits	2,809,955	403,270
	<u>3,537,283</u>	<u>961,000</u>

7. Trade and other receivables

Trade and other receivables	<u>141,936</u>	<u>78,911</u>
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There are no credit terms attached to the trade receivables.

Trade and other receivables are non-interest bearing and are generally on 30-day trading terms. The Club recognises impairment losses using the expected credit loss (ECL) model. The company has applied the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables. The calculation of impairment losses under this approach impacts the allowance for doubtful debts, now termed the credit loss allowance.

8. Inventories

At net realisable value:

Showcase	81	605
Liquor and bar sundries	32,463	24,962
	<u>32,544</u>	<u>25,567</u>

Building Workers Club Limited

ABN 30 001 912 661

Notes to the financial statements for the year ended 30 June 2020

	2020 \$	2019 \$
9. Financial assets		
Current		
Financial assets measured at amortised cost:		
Term deposit (i)	400,000	7,000,000
 (i) The company holds term deposits that carry interest at fixed rates.		
 10. Other assets		
Prepayments	85,085	149,580
 11. Property, plant and equipment		
Land and buildings		
Land		
At cost	1,873,633	1,873,633
Buildings		
At cost	15,508,379	9,726,492
Accumulated depreciation	(3,696,344)	(3,360,179)
	11,812,035	6,366,313
Total Land and buildings	13,685,668	8,239,946
 Work in progress		
At cost	-	2,786,464
Total Work in progress	-	2,786,464
 Plant and equipment		
Poker machines		
At cost	6,067,910	5,317,775
Accumulated depreciation	(4,119,763)	(3,917,341)
	1,948,147	1,400,434
Plant, machinery and equipment		
At cost	4,161,083	4,010,461
Accumulated depreciation	(3,606,245)	(3,409,033)
	554,838	601,428
Furniture, fixtures and fittings		
At cost	1,069,831	876,821
Accumulated depreciation	(751,960)	(694,636)
	317,871	182,185

Building Workers Club Limited

ABN 30 001 912 661

Notes to the financial statements
for the year ended 30 June 2020

	2020	2019
	\$	\$
11. Property, plant and equipment (cont'd)		
Motor vehicles		
At cost	63,655	63,655
Accumulated depreciation	<u>(32,749)</u>	<u>(19,983)</u>
	<u>30,906</u>	<u>43,672</u>
Total plant and equipment	<u>2,851,762</u>	<u>2,227,719</u>
Total property, plant and equipment	<u><u>16,537,430</u></u>	<u><u>13,254,129</u></u>

Building Workers Club Limited

ABN 30 001 912 661

Notes to the financial statements
for the year ended 30 June 2020

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	Work in progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	1,873,633	6,366,313	1,400,434	601,428	182,185	43,672	2,786,464	13,254,129
Additions	-	-	1,029,897	152,823	199,868	-	2,995,423	4,378,011
Transfers	-	5,781,887	-	-	-	-	(5,781,887)	-
Disposals	-	-	(19,805)	-	-	-	-	(19,805)
Depreciation expense	-	(336,165)	(462,379)	(199,413)	(64,182)	(12,766)	-	(1,074,905)
Balance at 30 June 2020	1,873,633	11,812,035	1,948,147	554,838	317,871	30,906	-	16,537,430
Balance at 1 July 2018	1,873,633	6,608,193	1,173,654	721,004	114,816	56,404	-	10,547,704
Additions	-	5,852	543,979	81,573	108,467	-	2,786,464	3,526,335
Disposals	-	-	(36,509)	(455)	(4,370)	-	-	(41,334)
Depreciation expense	-	(247,732)	(280,690)	(200,694)	(36,728)	(12,732)	-	(778,576)
Balance at 30 June 2019	1,873,633	6,366,313	1,400,434	601,428	182,185	43,672	2,786,464	13,254,129

Building Workers Club Limited

ABN 30 001 912 661

Notes to the financial statements for the year ended 30 June 2020

12. Intangible asset

	2020	2019
	\$	\$
Rights of occupancy, at cost	74,500	74,500
Accumulated amortisation and impairment	-	-
Net carrying amount	<u>74,500</u>	<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.

13. Trade and other payables

Trade payables	106,435	1,026,353
Sundry payables and accrued expenses	501,971	77,153
	<u>608,406</u>	<u>1,103,506</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 asset/liability

Current tax asset/(liability)	8,429	(69,987)
Deferred tax asset/(liability)	23,615	(4,122)

15. Provisions

Employee benefits	<u>215,736</u>	<u>198,262</u>
Current	197,325	194,631
Non-current	18,411	3,631
	<u>215,736</u>	<u>198,262</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:

	2020	2019
	\$	\$
Key management personnel compensation	<u>181,821</u>	<u>198,989</u>

Building Workers Club Limited

ABN 30 001 912 661

Notes to the financial statements for the year ended 30 June 2020

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:

	2020	2019
	\$	\$
Resolution 1	4,640	7,720
Resolution 2	1,301	2,782
Total	<u>5,941</u>	<u>10,502</u>

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 2020 (30 June 2019: nil).

19. Capital commitments

There were no capital commitments for the renovation of the Club premises as at 30 June 2020 (2019: \$629,260).

20. Events occurring after the reporting date

Subsequent to the end of the financial year there continues to be considerable economic impacts in Australia and globally arising from the outbreak of the COVID-19 virus and Government actions to reduce the spread of the virus. The outbreak of COVID-19 has impacted on revenue streams of the Club in the current financial year. In particular, gaming revenue and sales from food and beverage have all been impacted. As the severity and duration of the economic impact of COVID-19 is unknown at the date of signing the financial report the company is unable to determine what financial effects the outbreak of the virus may have on the company in the coming financial period. Furthermore, during the year to 30 June 2020, the Club received \$216,000 in Jobkeeper support and \$50,000 in cash flow boost. However, the company is not eligible for JobKeeper payments after September 2020. No future financial effects arising from the economic impacts of the virus have been included in the financial results for the year ended 30 June 2020.

There were no other 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 2020, 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 directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position as at 30 June 2020 and of financial performance and cash flows for the year then ended in accordance with the Australian Accounting Standards.

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 ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (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.

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 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 directors' 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, 12 October 2020

WOODSTOCK CAFE



BUILDING WORKERS CLUB LIMITED

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