

# Building Workers Club Limited

ABN 30 001 912 661

## Financial Statements

For the Year Ended 30 June 2023

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# Building Workers Club Limited

ABN 30 001 912 661

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For the Year Ended 30 June 2023

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# Building Workers Club Limited

ABN 30 001 912 661

## Directors' Report

30 June 2023

The directors present their report, together with the financial statements, on Building Workers Club Limited for the financial year ended 30 June 2023.

### Directors

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

<b>Names</b>	<b>Appointed/Resigned</b>
Mr Jose Barrios	
Mr Anthony Bleasdale	
Mr Benito Luciano Manna	
Mr Bradley Bunting	
Mr Rebel Hanlon	
Mr Rod Jarman	
Mr Kevin Nicholas	Appointed July 2022
Ms Doreen O'Grady	
Mr John Scott	

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 Building Workers Club Limited during the financial year was that of a community, sporting, social and recreation club for members of the neighbouring community.

### Review of operations

The surplus of the Company after providing for income tax amounted to \$ 308,209.

A review of the operations of the Company during the financial year and the results of those operations found that changes in market demand and competition which have seen a increase in revenue of 54% to \$ 9,701,143. The increase in revenue has contributed to a surplus in the company mainly due to more favourable trading conditions including the Club being fully operational in the 2023 financial year compared to a period of closure of operations during 2022 as a result of COVID shutdown.

### Short 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.

# Building Workers Club Limited

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## Directors' Report

30 June 2023

### Long term objectives

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.

### Strategy for achieving the objectives

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.

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. The 2022 figures were based on 262 days of trade against 364 days trade in 2023.

	Actual 2023	Benchmark 2023	Actual 2022	Benchmark 2022
Net Gaming Machine revenue (per machine per day)	\$132	\$130	\$123	\$130
Cost of goods sold (% to net bar sales)	47.43%	42%	47.26%	42%
Total wages (% to net sales)	29.10%	25%	31.98%	20%
EBITDA*(% to net sales)	14.47%	20%	16.56%	25%
PEMA ** (% to net sales)	5.88%	6%	5.2%	6%
Number of members	13,736	-	12,897	-
Number of visitors	26,132	-	23,941	-

### Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Mr Jose Barrios	President
Experience	Director < 12 years
Special responsibilities	Ex-officio on all Committees
Mr Anthony Bleasdale	Treasurer
Experience	Director < 16 years
Special responsibilities	Finance Committee, Building Committee
Mr Benito Luciano Manna	Vice President
Experience	Director < 6 years
Special responsibilities	Judiciary Committee, Building Committee, Club Grants Committee, Sports (Sub Club) Committee

# Building Workers Club Limited

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## Directors' Report

30 June 2023

### Information on directors

Mr Bradley Bunting	Director
Experience	Directors < 3 years Special
Special responsibilities	Sports (Sub Club) Committee
Mr Rebel Hanlon	Director
Experience	Director < 14 years
Special responsibilities	Building Committee, Finance Committee
Mr Rod Jarman	Director
Experience	Director < 13 years
Mr Kevin Nicholas	Director (appointed July 2022)
Experience	Director < 2 year
Ms Doreen O'Grady	Director
Experience	Director < 17 years
Special responsibilities	Judiciary Committee, Accounts Committee, Club Grants Committee, Finance Committee
Mr John Scott	Director
Experience	Director < 17 years
Special responsibilities	Accounts Committee, Judiciary Committee, Club Grants Committee, Finance Committee

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

### Company secretary

The following person held the position of Company Secretary at the end of the financial year:

Daniel Grady has been the Company Secretary since 22 February 2022.

### Members' guarantee

Building Workers Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 20 subject to the provisions of the company's constitution.

At 30 June 2023 the collective liability of members was \$ 274,720 (2022: \$ 257,940).

# Building Workers Club Limited

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## Directors' Report

30 June 2023

### Meetings of directors

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, 69 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Other Committee meetings
	Number eligible to attend	Number attended	Number attended
Mr Jose Barrios	11	10	10
Mr Anthony Bleasdale	11	8	4
Mr Benito Luciano Manna	11	7	6
Mr Bradley Bunting	11	7	1
Mr Rebel Hanlon	11	6	1
Mr Rod Jarman	11	6	1
Mr Kevin Nicholas	11	11	3
Ms Doreen O'Grady	11	10	51
Mr John Scott	11	11	58

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

### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2023 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: .....

Mr Jose Barrios

Director: .....

Mr Anthony Bleasdale

Dated this 20th day of October 2023

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF BUILDING WORKERS CLUB LIMITED**

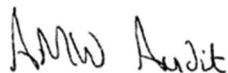
20 October 2023

The Directors  
Building Workers Club Limited  
247 Woodstock Avenue  
DHARRUK NSW 2770

**Building Workers Club Limited**

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Building Workers Club Limited for the period ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b. No contraventions of any applicable code of professional conduct in relation to the audit.



**AMW (AUDIT)**  
Chartered Accountants



**MARTIN SHONE**  
Principal

Dated at Perth, Western Australia this 20 October 2023

# Building Workers Club Limited

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## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Revenue	4	9,701,143	6,303,770
Other income	4	31,429	265,276
Bar stock purchases		(983,570)	(648,526)
Employee benefits expense		(3,422,253)	(2,366,613)
Depreciation and amortisation expense	5	(1,310,092)	(1,364,828)
Poker machine taxes and levies		(1,484,905)	(785,530)
Promotional expenses		(538,288)	(338,566)
Administrative expenses		(724,676)	(554,909)
Occupancy expenses		(790,525)	(594,856)
Other expenses	5	(368,662)	(210,727)
<b>(Loss) Profit before income tax</b>		<b>109,601</b>	<b>(295,509)</b>
Income tax expense	6	198,608	(98,393)
<b>(Loss) Profit for the year</b>		<b>308,209</b>	<b>(393,902)</b>
<b>Other comprehensive income, net of income tax</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Other comprehensive income		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>308,209</b>	<b>(393,902)</b>

The accompanying notes form part of these financial statements.



# Building Workers Club Limited

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## Statement of Financial Position

As At 30 June 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	2,306,069	1,796,357
Trade and other receivables	8	91,052	50,546
Inventories	9	68,798	52,631
Other financial assets	10	600,000	600,000
Other assets	11	157,975	130,921
<b>TOTAL CURRENT ASSETS</b>		<b>3,223,894</b>	<b>2,630,455</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12	18,524,466	18,973,858
Intangible assets	13	74,500	74,500
Deferred tax assets	17	175,382	68,555
<b>TOTAL NON-CURRENT ASSETS</b>		<b>18,774,348</b>	<b>19,116,913</b>
<b>TOTAL ASSETS</b>		<b>21,998,242</b>	<b>21,747,368</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	817,649	815,354
Other financial liabilities	15	199,248	142,320
Employee benefits	16	207,824	170,994
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,224,721</b>	<b>1,128,668</b>
<b>NON-CURRENT LIABILITIES</b>			
Other financial liabilities	15	147,064	213,480
Employee benefits	16	65,815	61,007
Deferred tax liabilities	17	51,553	143,333
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>264,432</b>	<b>417,820</b>
<b>TOTAL LIABILITIES</b>		<b>1,489,153</b>	<b>1,546,488</b>
<b>NET ASSETS</b>		<b>20,509,089</b>	<b>20,200,880</b>
<b>EQUITY</b>			
Retained earnings		20,509,089	20,200,880
<b>TOTAL EQUITY</b>		<b>20,509,089</b>	<b>20,200,880</b>

The accompanying notes form part of these financial statements.

# Building Workers Club Limited

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## Statement of Changes in Equity

For the Year Ended 30 June 2023

2023

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2022	20,200,880	20,200,880
Profit for the year	308,209	308,209
Total comprehensive income for the year	-	-
Balance at 30 June 2023	<u>20,509,089</u>	<u>20,509,089</u>

2022

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2021	20,594,782	20,594,782
Loss for the year	(393,902)	(393,902)
Total comprehensive income for the year	-	-
Balance at 30 June 2022	<u>20,200,880</u>	<u>20,200,880</u>

The accompanying notes form part of these financial statements.

# Building Workers Club Limited

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## Statement of Cash Flows

For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from trading activities and subscriptions		10,635,163	7,167,739
Payments to suppliers, employees and poker machine payouts		(9,286,690)	(5,897,520)
Interest received		21,120	5,605
Income tax refunded/paid (net)		-	12,389
Net cash provided by/(used in) operating activities		<u>1,369,593</u>	<u>1,288,213</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from sale of plant and equipment		99,036	18,354
Payments for property, plant and equipment		(949,427)	(938,089)
Net cash provided by/(used in) investing activities		<u>(850,391)</u>	<u>(919,735)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from borrowings		-	426,960
Repayment of borrowings		(9,490)	(71,160)
Net cash provided by/(used in) financing activities		<u>(9,490)</u>	<u>355,800</u>
Net increase/(decrease) in cash and cash equivalents held		509,712	724,278
Cash and cash equivalents at beginning of year		<u>1,796,357</u>	<u>1,072,079</u>
Cash and cash equivalents at end of financial year	7	<u><u>2,306,069</u></u>	<u><u>1,796,357</u></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 2023

The financial report covers Building Workers Club Limited as an individual entity. Building Workers Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The principal activity of Building Workers Club Limited for year ended 30 June 2023 was that of a community, sporting, social and recreation club of the neighbouring community

The functional and presentation currency of Building Workers Club Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 20 October 2023.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001* as appropriate for not-for-profit oriented entities.

The financial statements have been prepared under the historical cost convention.

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

### 2 Summary of Significant Accounting Policies

#### (a) Revenue recognition

##### Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

# Building Workers Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (a) Revenue recognition

##### Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

##### 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.

##### Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### (b) Employee benefits

##### Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

##### Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

##### Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.



# Building Workers Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (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.

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

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 asset are shown below:

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.



# Building Workers Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (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 assets 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.

#### (g) Impairment of non-financial 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) 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

# Building Workers Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

- (h) **Financial instruments**  
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.

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

##### *Subsequent measurement*

The measurement of financial liabilities depends on their classification.



# Building Workers Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (h) Financial instruments

##### Financial liabilities

##### *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.

#### (i) 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.

#### (j) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

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

#### (k) New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### 3 Critical Accounting Estimates and Judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

The significant estimates and judgements made have been described below.

**Building Workers Club Limited**  
**ABN 30 001 912 661**

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2023**

**3 Critical Accounting Estimates and Judgments**

**Estimation of useful lives of assets**

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

**Employee benefits provision**

As discussed in note 2(b), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

# Building Workers Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 4 Revenue and Other Income

	2023	2022
	\$	\$
Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058)		
- Poker machine revenue	6,830,701	4,408,946
- Food and beverages revenue	1,493,762	914,716
- Other revenue	1,376,680	980,108
<b>Total Revenue</b>	<b>9,701,143</b>	<b>6,303,770</b>
Other Income		
- interest received	21,120	5,605
- grants	-	241,772
- net gain on disposal of plant and equipment	10,309	17,899
	<b>31,429</b>	<b>265,276</b>

### 5 Result for the Year

The result for the year includes the following specific expenses:

#### Depreciation expense

- buildings	474,235	470,612
- plant, machinery and equipment	206,961	254,360
- poker machines	546,480	547,078
- motor vehicles	5,445	12,731
- furniture and fittings	76,971	80,047
<b>Total depreciation expense</b>	<b>1,310,092</b>	<b>1,364,828</b>
<b>Net loss on disposal of property, plant and equipment</b>	<b>78,660</b>	<b>555</b>

### 6 Income Tax Expense

(a) The major components of tax expense (income) comprise:

Current tax benefit/expense, including adjustments relating to prior period	-	(12,390)
Deferred tax benefit/expense	(198,608)	110,783
<b>Total income tax expense</b>	<b>(198,608)</b>	<b>98,393</b>



# Building Workers Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 6 Income Tax Expense

#### 6 Income Tax Expense

(b) Reconciliation of income tax to accounting profit:

	2023	2022
	\$	\$
Prima facie tax (credit) payable on profit from ordinary activities before income tax at 25% (2022: 25%)	27,401	(73,877)
Add:		
Tax effect of:		
- non-taxable member income arising from principle of mutuality	(1,455,222)	(961,922)
- non-deductible expenses arising from principle of mutuality and other items	1,130,849	731,144
- adjustments in relation to non-allowable items and unrecognised tax benefit	98,364	403,048
Income tax expense	<u>(198,608)</u>	<u>98,393</u>

### 7 Cash and Cash Equivalents

Cash on hand	330,000	300,532
Cash at bank	1,976,069	1,495,825
Cash at bank and in hand	<u>2,306,069</u>	<u>1,796,357</u>

### 8 Trade and Other Receivables

CURRENT		
Other receivables	<u>91,052</u>	<u>50,546</u>

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.

### 9 Inventories

CURRENT		
At net realisable value:		
Liquor and bar sundries	<u>68,798</u>	<u>52,631</u>

# Building Workers Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 10 Financial assets

	2023	2022
	\$	\$
CURRENT		
Financial assets measured at amortised cost:		
Term deposit (i)	<u>600,000</u>	<u>600,000</u>

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

### 11 Other assets

CURRENT		
Prepayments	157,475	130,421
Security deposit	<u>500</u>	<u>500</u>
	<u>157,975</u>	<u>130,921</u>

# Building Workers Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 12 Property, plant and equipment

	2023	2022
	\$	\$
<b>Land and buildings</b>		
Freehold land		
At cost	1,873,631	1,873,631
Buildings		
At cost	19,114,202	18,953,853
Accumulated depreciation	(5,238,933)	(4,796,528)
Total buildings	13,875,269	14,157,325
Total land and buildings	15,748,900	16,030,956
Capital works in progress		
At cost	6,100	-
Total capital works in progress	6,100	-
<b>Plant and equipment</b>		
Plant, machinery and equipment		
At cost	2,037,045	4,748,500
Accumulated depreciation	(1,307,625)	(4,047,238)
	729,420	701,262
Furniture, fixtures and fittings		
At cost	491,366	1,109,872
Accumulated depreciation	(330,728)	(872,104)
	160,638	237,768
Motor vehicles		
At cost	63,655	63,655
Accumulated depreciation	(63,655)	(58,210)
	-	5,445
Poker machines		
At cost	4,903,278	6,510,334
Accumulated depreciation	(3,023,870)	(4,511,907)
	1,879,408	1,998,427
Total plant and equipment	2,775,566	2,942,902
<b>Total property, plant and equipment</b>	<b>18,524,466</b>	<b>18,973,858</b>



# Building Workers Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 12 Property, plant and equipment

#### (a) 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 financial year:

	Capital Works in Progress	Land	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Poker machines	Motor Vehicle	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2023								
Balance at 1 July 2022	-	1,873,631	14,157,325	701,262	237,768	1,998,427	5,445	18,973,858
Additions	6,100	-	203,158	261,240	3,318	475,611	-	949,427
Disposals	-	-	(10,979)	(26,120)	(3,478)	(48,150)	-	(88,727)
Depreciation expense	-	-	(474,235)	(206,962)	(76,970)	(546,480)	(5,445)	(1,310,092)
Balance at 30 June 2023	<u>6,100</u>	<u>1,873,631</u>	<u>13,875,269</u>	<u>729,420</u>	<u>160,638</u>	<u>1,879,408</u>	<u>-</u>	<u>18,524,466</u>

### 13 Intangible Assets

	2023	2022
	\$	\$
Right 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.

### 14 Trade and Other Payables

#### CURRENT

Trade payables	241,694	208,807
Sundry payable and accrued expenses	<u>575,957</u>	<u>606,545</u>
	<u>817,651</u>	<u>815,352</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.

# Building Workers Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 15 Financial Liabilities

	2023	2022
	\$	\$
CURRENT		
Financial liabilities	199,248	142,320
NON-CURRENT		
Financial liabilities	147,064	213,480

### 16 Employee Benefits

Current liabilities		
Employee benefits	207,824	170,994
Non-current liabilities		
Long service leave	65,815	61,007

### 17 Tax assets and liabilities

#### (a) Deferred Tax Assets

Note	Opening Balance	Charged to Income	Charged directly to Equity	Changes in Tax Rate	Exchange Differences	Closing Balance
	\$	\$	\$	\$	\$	\$
Deferred tax assets						
Provisions - employee benefits	-	755	-	-	-	755
Accruals	-	708	-	-	-	708
Deferred tax assets attributable to tax losses	36,005	30,804	-	-	-	66,809
Other deferred tax - UD1	-	283	-	-	-	283
Balance at 30 June 2022	36,005	32,550	-	-	-	68,555
Provisions - employee benefits	755	1,710	-	-	-	2,465
Accruals	708	(679)	-	-	-	29
Deferred tax assets attributable to tax losses	66,809	94,764	-	-	-	161,573
Other deferred tax - UD1	283	11,032	-	-	-	11,315
Balance at 30 June 2023	68,555	106,827	-	-	-	175,382



# Building Workers Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 17 Tax assets and liabilities

#### 17 Tax assets and liabilities

##### (b) Deferred Tax Liabilities

	Opening Balance \$	Charged to Income \$	Charged directly to Equity \$	Changes in Tax Rate \$	Exchange Differences \$	Closing Balance \$
Deferred tax liability						
Property, plant and equipment						
- tax allowance	-	143,333	-	-	-	143,333
Balance at 30 June 2022	-	143,333	-	-	-	143,333
Property, plant and equipment						
- tax allowance	143,333	(91,780)	-	-	-	51,553
Balance at 30 June 2023	143,333	(91,780)	-	-	-	51,553

### 18 Key Management Personnel Compensation

The remuneration paid to key management personnel of the company is \$ 314,925 (2022: \$ 316,530).

### 19 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022:None).

### 20 Related Party transactions

#### Transactions with related parties

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

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

### 21 Events after the end of the Reporting Period

No matters or circumstances 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.

# Building Workers Club Limited

ABN 30 001 912 661

## Directors' Declaration

The directors of the Company declare that:

- 1. The financial statements and notes, as set out on pages 6 to 23, are in accordance with the Corporations Act 2001 and:
  - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and
  - b. give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Company.
- 2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director .....  
Mr Jose Barrios

Director .....  
Mr Anthony Bleasdale

Dated this 20th day of October 2023

## 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 2023, the statement of comprehensive income, statement of changes in equity and cash flow statement 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 of Building Workers Club Limited is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the period then ended; and
- complying with Australian Accounting Standards – Simplified Disclosures Standard to the extent described in Note 1, 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 (including Independence Standard)* (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 2023 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 and for such internal control as the directors determine is necessary to enable the preparation of a 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 Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance 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 judgment 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.

A handwritten signature in black ink that reads 'AMW Audit'.

**AMW (AUDIT) PTY LTD**

Chartered Accountants

Unit 8 / 210 Winton Road, Joondalup, WA 6027

A handwritten signature in black ink, appearing to be 'M Shone'.

**MARTIN SHONE**

Principal

Dated at Perth, Western Australia this 27th October 2023