



# ANNUAL REPORT 2017



*My Club, My Friends*



# Notice of ANNUAL GENERAL MEETING

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

**Sunday 26th November 2017, commencing at 11.00am  
in the Tradies Function Room**

[westtradies.com.au](http://westtradies.com.au)

## Agenda

1. Confirmation of minutes of the previous Annual General Meeting held on 27th November 2016.
2. Reception of the Chairman's Message.
3. Reception of the Honorary Treasurer's Message .
4. Reception of the Director's Report.
5. Submission of the Auditor's Report for 12 months ended 30th June 2017.
6. Resolutions of which due notice has been given and submitted in accordance with the Articles of Association.
7. Any other business of which due notice has been given to members.

## Attention Members

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

## Members requesting a Copy of The Annual Report

Any member wishing to obtain a copy of the 2016/17 Financial Accounts (Auditors unsigned copy) may do so from Monday 6th November 2017 by visiting West Tradies Reception (Monday - Friday 10am until 5pm). Or the Annual report can be viewed online at [www.westtradies.com.au](http://www.westtradies.com.au)

For and on behalf of the Board of Directors

Gail Patrin

Acting General Manager

## Resolutions for the AGM 26th November 2017

### First Ordinary Resolution

That:

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

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

### Notes to Members on First Ordinary Resolution

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

### Second Ordinary Resolution

That the members hereby approve:

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

### Notes to Members on Second Ordinary Resolution

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

### Third Ordinary Resolution

That Deloitte Touche Tohmatsu be appointed as the Club Auditor for the Financial Year 2017/2018.

### Notes to Members on Third Ordinary Resolution

1. To have the Members in the Annual General Meeting approve the appointment of Deloitte Touche Tohmatsu as the Club Auditor for the current financial year.

# Vale



## Dennis Roy Matthews

24/01/1948 - 02/05/2017

The Board of Directors with great sadness and regret wish to inform all concerned of the passing of Dennis Matthews, Chairman of the Board on the 2nd May 2017.

Dennis Matthews was a Foundation member of West Tradies Club formerly the Building Workers Club having been one of the subscribers to the Memorandum of Association in 1977.

Since his election to the Board in 2006 and the subsequent election by the Board of Directors in 2007 as Chairman, Dennis dedicated much of his valuable time to the Management of West Tradies.

His extensive experience, financial and legal expertise, along with the ongoing support of the Board of Directors, has been instrumental in the success of the West Tradies Club. Dennis will be sadly missed by all members of the Board and by those who have had the privilege of working with him over the many years.

May he rest in peace.

# Chairman's Message

Dear Members,

What a year. The sudden passing of our previous Chairman Dennis Matthews took us all by surprise back in May of this year. Dennis was a foundation member and he devoted much of his valuable time to the Club ensuring it was heading in the right direction. I am delighted to report that yet again the Club has continued to show a substantial profit. By trading to the level we have been over the last few years it has allowed us to fund our various ambitious projects without the need for any bank finances.

Recently we have refurbished our main function room with new ceilings, paint, led lighting and new flooring and to finish the room off we have installed the latest data projector for guests to enjoy special moments. I must say the room has a splendid feeling to it.

The brasserie area has also been refurbished with new ceiling, lighting and paint transforming this area into a more modern look.

We have begun repainting the internal walls throughout the Club which includes the auditorium, this reflects a much lighter and brighter feeling.

We have commenced the upgrade of the main lounge ceilings, lighting and now having a super large screen for the enjoyment of our members and guests.

We have also remarked all our car park areas with new line marking.

We are not stopping here, in early 2018 we plan to have some masterplans completed for our main lounge and gaming areas so we can continue to move along with.

We will not stop now when it comes to delivering a vibrant modern safe venue to YOU our members.

Our strong financial position allows us to look further into a future than many other Clubs in NSW can.

As Directors we are very aware we are merely custodians. We genuinely hope that we will continue to lead the Club in its strong financial position to take advantage of opportunities in this changing world.

As reported in the Treasurers report we have continued to heavily support our local community partners through the Club Grants program. Many of these groups in our community are all volunteers and have worked hard for their various charities.

I would like to personally thank my fellow Directors, Acting General Manager , Management and staff for their time, support and hard work they have given to this Club throughout the year.

To those who have lost love ones in the past twelve months, we offer you our deepest sympathies.

To those members whom have welcomed a new born – we share your joy .

Wishing you all the very best over the festive season and hope that 2018 be a safe and happy year for all of you and your families

**Mario Barrios**  
**Chairman**

# Honorary Treasurer's Message

Dear Members,

I have the pleasure to report that your club once again has recorded a very pleasing trading result for the 2017 financial year. A net profit of \$1,442,136 after tax has been achieved. As we continue to wade through the difficult economic climate everyone has been experiencing over the past few years, your club has quietly continued to perform well. This is a very clear indication that you our loyal members are appreciating the facilities and services we have provided and as we plan ahead for the next twelve months as a business. As you all can see we have begun the internal renovations starting with the total revamp of main function room as per Chairman's Message.

Summary for the last Two Financial Year results

	<b>2017</b>	<b>2016</b>
Net Profit (After Tax)	\$1,442,136	\$1,004,641

As you can see from the above financial results from two consecutive years, we have continued with our upward progression which ensures YOU our members we are constantly monitoring our trends and finances.

## **Club Grants Recipients 2016-2017**

West Tradies has maintained its financial commitment to non-profit organisations, local charities and sporting groups within our community to the value of \$92,243.00. The Club Grants Scheme provides Clubs such as ours the opportunity to return the support to local communities. The minimum amount is enshrined in legislation and is tied to gaming machine revenue. Some of the community groups that the Club has supported are mentioned below.

- Rosie's Place
- Marrin Weejali Aboriginal Corporation
- Gifts Of Grace
- Sydney Community Forum
- Mt Druitt Indigenous Choir
- Local Public Schools
- Little Athletics
- Rap For Change
- Local Football Associations

I would like to take this opportunity to thank you, our loyal members for your contribution to the Club's excellent trading year. Acknowledgement must also go to our leadership and service team. To my fellow Directors - Thank you for your tireless work.

Most importantly I thank all our members for their support. Your valued support is a testament once again to the Board of Directors ability to provide the community with a safe and friendly Club.

I do wish everyone a very safe and prosperous festive season.

I look forward in seeing you in the Club.

**Anthony Bleasedale OAM**  
**Honorary Treasurer**

# 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, 2016 to June 30 2017.
- 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

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, 2015 to June 30, 2016.

### 41H (1) (B)

The value of the remuneration packages of the highest executives being paid over \$100,000 a year .....\$103,330

### 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 provided by the consultant.

Amy Conroy (Dynamyc Solutions) - Gaming/ Management consultant.....\$102,934

### 41H (1) (h)

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

Total amount paid to consultants ..... NIL

Total number of consultants engaged..... NIL

### 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, 2017..... \$ 6,017,416

### 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, 2017 ..... \$ 92,943

### Core Property – Section 41J (2)

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

# **Building Workers Club Limited**

ABN 30 001 912 661

**Annual report for the year ended 30 June 2017**

# Building Workers Club Limited

ABN 30 001 912 661

Directors' report

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# Building Workers Club Limited

ABN 30 001 912 661

## Directors' report

The directors of Building Workers Club Limited ("the company") or ("the club") submit herewith the annual report of the company for the financial year ended 30 June 2017. 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 Anthony Bleasdale

Mr Dennis Matthews (deceased 2 May 2017)

Ms Doreen O'Grady

Mr Ian Smith (resigned 1 September 2016)

Mr John Scott

Mr Jose Barrios

Mr Rebel Hanlon

Mr Rod Jarman

Mr Mansour Razaghi

Mr Mark Cunningham (appointed 11 November 2016)

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

### Principal activities

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

### Strategy, objectives and performance

#### Short-term and long-term objectives

The company's short term objectives are to:

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

The company's long term objectives are to:

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

### Strategies

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

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

# Building Workers Club Limited

ABN 30 001 912 661

## Directors' report

### Strategies (cont'd)

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

### Key performance measures

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

	Actual 2017	Benchmark 2017	Actual 2016	Benchmark 2016
Net Gaming Machine revenue (per machine per day)	\$109.16	\$130	\$97.06	\$130
Cost of goods sold (% to net bar sales)	44.52%	42%	44.56%	42%
Total Wages (% to net sales)	21.00%	18%	21.87%	18%
EBITDA* (% to net sales)	28.23%	25%	25.76%	25%
PEMA ** (% to net sales)	4.47%	6%	4.71%	6%
Number of members	6,882	-	8,388	-
Number of visitors	21,202	-	20,877	-

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

\*\* (Promotions, entertainment, marketing and advertising)

### Information about the directors

#### Mr Anthony Bleasdale

Honorary Treasurer

Experience

Director < 10 years

Special responsibilities

Chairman Finance Committee

#### Mr Dennis Matthews

Chairman

Experience

Director < 11 years

Special responsibilities

Ex-officio on all Committees

#### Ms Doreen O'Grady

Associate Director

Experience

Director < 11 years

Special responsibilities

Judiciary Committee, Accounts Committee

#### Mr Ian Smith

Vice President

Experience

Director < 14 years (resigned 1 September 2016)

Special responsibilities

Chairman Judiciary Committee, Membership Committee

#### Mr John Scott

Honorary Secretary

Experience

Director < 11 years

Special responsibilities

Accounts Committee

#### Mr Rebel Hanlon

Vice President

Experience

Director < 8 years

# Building Workers Club Limited

ABN 30 001 912 661

## Directors' report

### Information about the directors (cont'd)

**Mr Rod Jarman** Associate Director  
Experience Director < 7 years

**Mr Jose Barrios** Director  
Experience Director < 6 years

**Mr Mansour Razaghi** Associate Director  
Experience Director < 3 year

**Mr Mark Cunningham** Director (appointed 11 November 2016)  
Experience Director < 1 year

### 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, 50 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 Dennis Matthews	13	12	3
Mr Anthony Bleasdale	17	14	-
Mr Ian Smith	2	-	-
Ms Doreen O'Grady	17	17	50
Mr John Scott	17	16	42
Mr Rebel Hanlon	17	14	-
Mr Rod Jarman	17	6	-
Mr Jose Barrios	17	15	-
Mr Mansour Razaghi	17	11	-
Mr Mark Cunningham	10	10	4

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

### Changes in state of affairs

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

### Subsequent events

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

# Building Workers Club Limited

ABN 30 001 912 661

## Directors' report

### 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 \$137,640 (2016: \$167,760).

### 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

Director: .....  
Mr John Scott

Director: .....  
Mr Anthony Bleasdale

Dated this day of 27-10 2017

27 October 2017

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

Dear Board Members

### **Building Workers Club Limited**

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

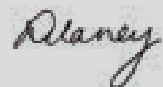
As lead audit partner for the audit of the financial statements of Building Workers Club Limited for the financial year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely



DELOITTE TOUCHE TOHMATSU



**X Delaney**  
Partner  
Chartered Accountants  
Parramatta

# Building Workers Club Limited

ABN 30 001 912 661

## Directors' declaration

The directors declare that:

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

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

On behalf of the Directors

Director .....  
Mr John Scott

Director .....  
Mr Anthony Bleasdale

Dated:

27-10-2017

# Building Workers Club Limited

ABN 30 001 912 661

## Statement of profit or loss and other comprehensive income for the year ended 30 June 2017

	<b>Note</b>	<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
Revenue	3	7,316,351	6,756,558
Bar stock purchases		(496,941)	(481,869)
Employee benefits expense		(1,524,667)	(1,558,136)
Depreciation and amortisation expense	4	(707,512)	(679,145)
Promotional expenses		(390,640)	(389,916)
Occupancy expenses		(705,855)	(714,427)
Administrative expenses		(324,374)	(293,032)
Poker machine taxes and levies		(1,124,135)	(966,049)
Other expenses		(536,081)	(462,564)
Surplus before tax		1,506,146	1,211,420
Income tax expense	5	(45,550)	(206,779)
<b>Surplus for the year</b>		<b>1,460,596</b>	<b>1,004,641</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>1,460,596</b>	<b>1,004,641</b>

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 2017

	Note	2017 \$	2016 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	1,008,053	5,623,445
Trade and other receivables	7	53,642	38,188
Inventories	8	46,300	42,404
Financial assets	9	7,800,000	2,000,000
Other assets	10	68,922	77,964
Total current assets		<u>8,976,917</u>	<u>7,782,001</u>
<b>Non-current assets</b>			
Property, plant and equipment	11	10,299,349	10,345,604
Intangible assets	12	74,500	74,500
Total non-current assets		<u>10,373,849</u>	<u>10,420,104</u>
Total assets		<u>19,350,766</u>	<u>18,202,105</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	568,048	644,185
Current tax liabilities	14	39,171	204,274
Provisions	15	128,917	205,712
Total current liabilities		<u>736,136</u>	<u>1,054,171</u>
<b>Non-current liabilities</b>			
Provisions	15	21,647	16,606
Deferred tax liabilities	14	1,059	-
Total non-current liabilities		<u>22,706</u>	<u>16,606</u>
Total liabilities		<u>758,842</u>	<u>1,070,777</u>
Net assets		<u>18,591,924</u>	<u>17,131,328</u>
<b>Equity</b>			
Retained earnings		18,591,924	17,131,328
Total equity		<u>18,591,924</u>	<u>17,131,328</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 2017

2017

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

2016

	<b>Retained earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2015</b>	16,126,687	16,126,687
Surplus for the year	1,004,641	1,004,641
Other comprehensive income for the year:	-	-
Total comprehensive income for the year	1,004,641	1,004,641
<b>Balance at 30 June 2016</b>	<u>17,131,328</u>	<u>17,131,328</u>

# Building Workers Club Limited

ABN 30 001 912 661

## Statement of cash flows for the year ended 30 June 2017

	2017	2016
Note	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from trading activities and subscriptions	7,108,120	6,587,011
Payments to suppliers, employees and poker machine payouts	(5,241,541)	(4,838,476)
Interest received	188,880	187,618
Income taxes paid	(209,594)	(10,907)
Net cash generated by operating activities	<u>1,845,865</u>	<u>1,925,246</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of plant and equipment	7,135	-
Payments for property, plant and equipment	(668,392)	(467,442)
Payments to acquire financial assets	(5,800,000)	(2,000,000)
Net cash generated by/(used in) investing activities	<u>(6,461,257)</u>	<u>(2,467,442)</u>
Net increase in cash and cash equivalents	(4,615,392)	(542,196)
Cash and cash equivalents at the beginning of the year	5,623,445	6,165,641
Cash and cash equivalents at the end of the year	6 <u>1,008,053</u>	<u>5,623,445</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 2017

### 1. General information

Building Workers Club Limited (“the company” or “the club”) is a public company incorporated in Australia. The addresses of its registered office and principal place of business are 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 27 October 2017.

#### Basis of preparation

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

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

#### (a) Revenue recognition

##### Rendering of services

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

# Building Workers Club Limited

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## Notes to the financial statements for the year ended 30 June 2017

### 2. Significant accounting policies (cont'd)

#### Sale of goods

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

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

#### Interest income

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

#### **(b) Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### The company as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### **(c) Employee benefits**

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

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

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

# Building Workers Club Limited

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## Notes to the financial statements for the year ended 30 June 2017

### 2. Significant accounting policies (cont'd)

#### (d) Taxation

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

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

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

#### (e) Inventories

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

#### (f) 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:

<b>Class of property, plant and equipment</b>	<b>Depreciation rate</b>
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 2017

### 2. Significant accounting policies (cont'd)

#### (g) Intangibles

##### Intangible assets 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.

#### (h) 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.

#### (i) 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.

# Building Workers Club Limited

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## Notes to the financial statements for the year ended 30 June 2017

### 2. Significant accounting policies (cont'd)

#### (i) Provisions (cont'd)

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

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

#### (j) Financial instruments

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

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

#### Financial assets

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

#### Effective interest method

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

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

#### Held-to-maturity investments

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

# Building Workers Club Limited

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## Notes to the financial statements for the year ended 30 June 2017

### 2. Significant accounting policies (cont'd)

#### (j) Financial instruments (cont'd)

##### Loans and receivables

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

##### Impairment of financial assets

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

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

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

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

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

##### Derecognition of financial assets

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

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



# Building Workers Club Limited

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## Notes to the financial statements for the year ended 30 June 2017

### 2. Significant accounting policies (cont'd)

#### (j) Financial instruments (cont'd)

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

#### Financial liabilities

##### Other financial liabilities

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

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

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

##### Derecognition of financial liabilities

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

#### (k) 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.

# Building Workers Club Limited

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## Notes to the financial statements for the year ended 30 June 2017

### 2. Significant accounting policies (cont'd)

#### (l) 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.

#### (m) Comparative amounts

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

#### (n) 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 (f) above, the company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

# Building Workers Club Limited

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## Notes to the financial statements for the year ended 30 June 2017

### 2. Significant accounting policies (cont'd)

#### (o) Application of new and revised Accounting Standards

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

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

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

##### **Standards and Interpretations in issue not yet adopted**

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

<b>Standard/Interpretation</b>	<b>Effective for annual reporting periods beginning on or after</b>	<b>Expected to be initially applied in the financial year ending</b>
<i>AASB 9 Financial Instruments, and the relevant amending standards</i>	1 January 2018	30 June 2019
<i>AASB 15 Revenue from Contracts with Customers, AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15, AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15, and AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	1 January 2018	30 June 2019
<i>AASB 16 Leases</i>	1 January 2019	30 June 2020
<i>AASB 1058 Income of Not-for-Profit Entities, AASB 1058 Income of Not-for-Profit Entities (Appendix D), AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	1 January 2019	30 June 2020
<i>AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i>	1 January 2017	30 June 2018
<i>AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	1 January 2017	30 June 2018
<i>AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014–2016 Cycle and Other Amendments</i>	1 January 2019	30 June 2020
<i>AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014–2016 Cycle</i>	1 January 2017	30 June 2018
<i>AASB 2017-3 Amendments to Australian Accounting Standards – Clarifications to AASB 4</i>	1 January 2018	30 June 2019

# Building Workers Club Limited

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## Notes to the financial statements for the year ended 30 June 2017

### 3. Revenue

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

	2017 \$	2016 \$
<b>Revenue</b>		
Sale of food and beverages	1,262,381	1,240,335
Poker machine revenue	5,483,522	4,924,282
Other revenue	381,568	404,323
	<u>7,127,471</u>	<u>6,568,940</u>
<b>Investment income</b>		
Interest income:		
Bank deposits	<u>188,880</u>	<u>187,618</u>

### 4. Surplus for the year

Surplus for the year has been arrived at after charging:

#### (a) Expenses

##### Depreciation and amortisation expense

- buildings	238,819	233,740
- fixtures and fittings	34,156	35,988
- poker machines	247,627	223,991
- plant, machinery and equipment	186,910	185,426
Total depreciation and amortisation expense	<u>707,512</u>	<u>679,145</u>
Bad debts	-	208
Rental expense on operating leases		
- photocopier	-	7,270
Total rental expense on operating lease	<u>-</u>	<u>7,270</u>

# Building Workers Club Limited

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## Notes to the financial statements for the year ended 30 June 2017

### 5. Income tax

	Note	2017 \$	2016 \$
Current tax expense			
Current tax	5(a)	45,550	206,779
 (a) The prima facie tax on profit from ordinary activities before income tax expense is reconciled to the income tax as follows:			
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2016: 30%)		451,844	363,426
Tax effect of:			
- movement in employee benefits provision		-	2,957
- other non-allowable items		-	(1,544)
		451,844	364,839
 Less:			
Tax effect of:			
- non-taxable member income arising from principle of mutuality		406,294	158,060
Income tax attributable to entity		45,550	206,779

### 6. Cash and cash equivalents

Cash on hand	163,950	150,500
Cash at bank	699,326	2,517,817
Short-term bank deposits	144,777	2,955,128
	1,008,053	5,623,445

### Reconciliation of cash

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

Cash and cash equivalents	1,008,053	5,623,445
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### 7. Trade and other receivables

Trade receivables	53,642	38,188
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There are no credit terms attached to the trade receivables.

# Building Workers Club Limited

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Notes to the financial statements  
for the year ended 30 June 2017

## 8. Inventories

	Note	2017 \$	2016 \$
At net realisable value:			
Showcase		-	301
Liquor and bar sundries		46,300	42,103
		<u>46,300</u>	<u>42,404</u>

## 9. Financial assets

### Current

Held-to-maturity financial assets (i)		<u>7,800,000</u>	<u>2,000,000</u>
(i) Term deposit	19	<u>7,800,000</u>	<u>2,000,000</u>

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

## 10. Other assets

Prepayments		<u>68,922</u>	<u>77,964</u>
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## 11. Property, plant and equipment

### Land and buildings

Land			
At cost		<u>1,873,633</u>	<u>1,873,633</u>
Buildings			
At cost		9,535,645	9,228,946
Accumulated depreciation		(2,868,111)	(2,629,292)
		<u>6,667,534</u>	<u>6,599,654</u>
Work in progress			
At cost		-	243,342
<b>Total land and buildings</b>		<u>8,541,167</u>	<u>8,716,629</u>

### Plant and equipment

Poker machines			
At cost		4,720,947	4,345,432
Accumulated depreciation		(3,677,050)	(3,604,382)
		<u>1,043,897</u>	<u>741,050</u>
Plant, machinery and equipment			
At cost		3,638,974	3,607,422
Accumulated depreciation		(3,023,853)	(2,836,943)
		<u>615,121</u>	<u>770,479</u>

# Building Workers Club Limited

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Notes to the financial statements  
for the year ended 30 June 2017

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

	2017 \$	2016 \$
<b>Plant and equipment (cont'd)</b>		
Furniture, fixture and fittings		
At cost	759,887	744,012
Accumulated depreciation	(660,723)	(626,566)
	<u>99,164</u>	<u>117,446</u>
Motor vehicles		
At cost	96,110	96,110
Accumulated depreciation	(96,110)	(96,110)
	<u>-</u>	<u>-</u>
<b>Total plant and equipment</b>	<u>1,758,182</u>	<u>1,628,975</u>
<b>Total property, plant and equipment</b>	<u>10,299,349</u>	<u>10,345,604</u>

## 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:

	Land \$	Buildings \$	Poker machines \$	Plant, machinery and equipment \$	Furniture, fixtures and fittings \$	Work in progress \$	Total \$
Balance at the beginning of year	1,873,633	6,599,654	741,050	770,479	117,446	243,342	10,345,604
Additions	-	63,357	557,609	31,552	15,874	-	668,392
Disposals	-	-	(7,135)	-	-	-	(7,135)
Transfer to buildings	-	243,342	-	-	-	(243,342)	-
Depreciation expense	-	(238,819)	(247,627)	(186,910)	(34,156)	-	(707,512)
Carrying amount at the end of the year	<u>1,873,633</u>	<u>6,667,534</u>	<u>1,043,897</u>	<u>615,121</u>	<u>99,164</u>	<u>-</u>	<u>10,299,349</u>

## 12. Intangible assets

	2017 \$	2016 \$
Rights of occupancy, at cost	74,500	74,500
Accumulated amortisation and impairment	-	-
Net carrying amount	<u>74,500</u>	<u>74,500</u>

# Building Workers Club Limited

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## Notes to the financial statements for the year ended 30 June 2017

### 12. Intangible assets (cont'd)

	Rights of occupancy, at cost \$
<b>Year ended 30 June 2017</b>	
Balance at the beginning of the year	74,500
Additions	-
Disposals	-
	<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

	2017 \$	2016 \$
Trade payables	195,378	327,527
Sundry payables and accrued expenses	372,670	316,658
	<u>568,048</u>	<u>644,185</u>

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

### 14. Tax

Current tax liability	39,171	204,274
Deferred tax liability	1,059	-

### 15. Provisions

Employee benefits	<u>150,564</u>	<u>222,318</u>
Current	128,917	205,712
Non-current	21,647	16,606
	<u>150,564</u>	<u>222,318</u>

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



# Building Workers Club Limited

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## Notes to the financial statements for the year ended 30 June 2017

### 16. Key management personnel compensation

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

	<b>2017</b>	<b>2016</b>
	\$	\$
Key management personnel compensation	52,639	10,198

### 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:

	<b>2017</b>	<b>2016</b>
	\$	\$
Resolution 1	3,078	5,691
Resolution 2	5,400	4,200
Total	8,478	9,891

### 18. Contingent liabilities and contingent assets

In the opinion of the Directors, the company did not have any contingencies at 30 June 2017 (30 June 2016: nil).

# Building Workers Club Limited

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Notes to the financial statements  
for the year ended 30 June 2017

## 19. Financial instruments

### Categories of financial instruments

	Note	2017 \$	2016 \$
<b>Financial assets</b>			
Cash and cash equivalents	6	1,008,053	5,623,445
Trade and other receivables	7	53,642	38,188
Financial assets	9	7,800,000	2,000,000
Total financial assets		<u>8,861,695</u>	<u>7,661,633</u>
<b>Financial liabilities</b>			
<i>Financial liabilities at amortised cost:</i>			
Trade and other payables	13	<u>568,048</u>	<u>644,185</u>
Total financial liabilities		<u>568,048</u>	<u>644,185</u>

### Fair value of financial instruments

The company does not have any financial assets and financial liabilities that are measured at fair value at the end of each reporting period.

## 20. Events occurring after the reporting date

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

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

### *Opinion*

We have audited the financial report of Building Workers Club Limited (the "Company"), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the director's declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of their financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and the *Corporations Regulations 2001*.

### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

### *Other information*

The directors' are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Regime and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

*Alaney*

X Delaney  
Partner  
Chartered Accountants  
Parramatta

Dated 31 October 2017

# Notes

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