



The Builders Club
Dee Why



The Builders
MASTER BUILDERS CLUB

2018/9

ANNUAL REPORT

A.C.N. 001 013 074
Unincorporated Club Founded 1958
Club Incorporated 1972

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD

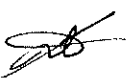
A.B.N. - 25 001 013 074

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

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MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD

A.B.N. - 25 001 013 074

DIRECTORS' REPORT

The Directors of Manly-Warringah Master Builders' Club Ltd present herewith the Financial Report of the company for the year ended 30 June 2019 and report as follows:-

Board of Directors

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

<u>Name</u>	<u>Experience</u>	<u>Special Responsibilities</u>
Peter Haack	22 years	Culture, Future Direction, Human Resources, Gaming Machines
Philip O'Leary	25 years	Culture, Future Direction, House & Building, Gaming Machines
Anthony Larter	30 years	Culture, Future Direction, Strategic Planning, Gaming Machines
Maurice Segedin	44 years	Culture, Future Direction, Properties & Storage
Richard Shacklady	32 years	Culture, Future Direction, Membership
Gordon Leggett	17 years	President, Culture, Future Direction, Risk Management, Gaming Machines
Leigh Hammond	15 years	Culture, Future Direction, Finance

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:

Matthew Haack who has worked for Manly-Warringah Master Builders' Club Ltd for the past 11 years performing management roles. Matthew Haack was appointed Company Secretary on 30 June 2017.

Meetings of Directors

During the financial year, 12 meetings of Directors were held. Attendances by each Director were as follows:

<u>Director</u>	<u>No. of Director Meetings Held</u>	<u>No. of Director Meetings Attended</u>
Peter Haack	12	7
Philip O'Leary	12	10
Anthony Larter	12	10
Maurice Segedin	12	11
Richard Shacklady	12	11
Gordon Leggett	12	12
Leigh Hammond	12	9

Principal Activities

The principal activity of the company during the financial year was - Licensed Club. No significant changes in the nature of the company's activity occurred during the financial year.

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the company.

Operating Results

The loss of the company for the year ended 30 June 2019 after providing for income tax was \$231,897 (2018 Loss \$55,203 after providing for income tax).

Review of Operations

A review of the operations of the company during the financial year indicated Expenditure on Property, Plant & Equipment was \$49,373 (2018 \$410,511). During the year, net cash decreased by \$102,218 (2018 increased by \$58,322). Depreciation charge for the year was \$249,382 (2018 \$240,147).

Dividends

The company has no provisions in its Articles for the payment of dividends.

Significant Changes in State of Affairs

No significant changes in the company's state of affairs occurred during the year.

After Balance Date Events

At the date of this report, there are no other matters or circumstances which have arisen since 30 June 2019 that have significantly affected or may significantly affect:

- (i) the operations of the company;
- (ii) the results of those operations; or
- (iii) the state of affairs of the company

in the financial year subsequent to 30 June 2019.

Future Developments

The company expects to maintain the present status and level of operations.

Environmental Issues

The company's operations are subject to various regulations under Commonwealth and State legislation. The Directors are not aware of any significant breaches of legislation during the financial year.

Indemnifying Officers or Auditor

The company has provided for and paid premiums during the year for Directors and Officers liability insurance. The insurance is in respect of legal liability for damages and legal costs arising from claims made by reason of any omissions or acts (other than dishonesty) by them, whilst acting in their individual or collective capacity as Directors or Officers of the company.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of Directors' and Officers' liability and legal expenses contract as such disclosure is prohibited under the terms of the contract.

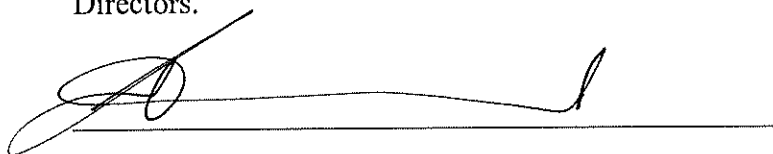
Proceedings on Behalf of the Company

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.

Auditor's Independence Declaration

The Auditor's independence declaration for the year ended 30 June 2019 as required under Section 307C of the Corporations Act 2001 has been received and is set out on the following page.

Signed on behalf of the Board in accordance with a resolution of the Board of Directors.



Director - Leigh Hammond

Dated this 23rd day of September 2019 at Dee Why

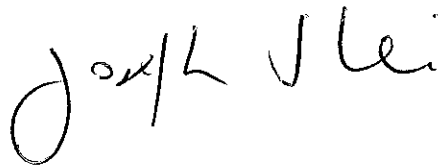


AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD

To the Board of Directors:-

In accordance with section 307C of the Corporations Act 2001, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been no contraventions of:

- i. the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



Joseph Shamia & Co.
Chartered Accountants

Joseph Shamia
Registered Company Auditor

Suite 1, 307-317 Condamine Street, Manly Vale NSW 2093

Dated this 23rd day of September 2019



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD**

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Manly-Warringah Master Builders' Club Ltd (the company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the director's declaration.

In my opinion, the accompanying financial report of Manly-Warringah Master Builders' Club Ltd 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 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am 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 my audit of the financial report in Australia. I have also fulfilled my ethical responsibilities in accordance with the Code.

I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon

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 2019, but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I 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 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.

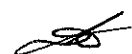
In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company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

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.



- Obtain sufficient appropriate audit evidence regarding the financial information of the company to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the company audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.




Joseph Shamia

Joseph Shamia & Co.
Chartered Accountants

Suite 1, 307-317 Condamine Street, Manly Vale NSW 2093

Dated this 23rd day of September 2019



MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD

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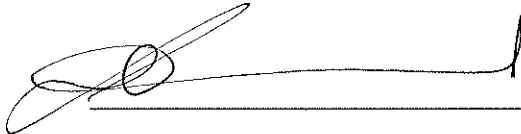
DIRECTORS' DECLARATION

30 JUNE 2019

In accordance with a resolution of the Directors of Manly-Warringah Master Builders' Club Ltd, the Directors of the company declare that:


1. The financial report comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Report are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards which, as stated in accounting policy Note 1 to the financial report, constitutes compliance with International Financial Reporting Standards; and
 - (b) give a true and fair view of the financial position of the company as at 30 June 2019 and of its performance for the year then ended on that date.
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 - Leigh Hammond

Dated this 23rd day of September 2019 at Dee Why



MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.B.N. - 25 001 013 074
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
Revenue		2,234,593	2,326,850
Cost of Goods Sold		(361,440)	(378,010)
Employee Benefits Expense		(601,692)	(597,172)
Depreciation & Amortisation Expense		(249,382)	(240,147)
Finance Costs	3	(90,759)	(87,228)
Other Expenses		(1,117,566)	(1,026,706)
		<hr/>	<hr/>
Profit (Loss) Before Income Tax	3	(186,246)	(2,413)
Income Tax Expense		(45,651)	(52,790)
		<hr/>	<hr/>
Profit (Loss) Attributable to Members		(231,897)	(55,203)
		<hr/>	<hr/>

The accompanying notes form part of this financial report



MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.B.N. - 25 001 013 074
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	NOTE		2018
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	5	155,161	257,379
Receivables	6	34,897	46,549
Inventories	7	25,987	25,693
TOTAL CURRENT ASSETS		216,045	329,621
 <u>NON-CURRENT ASSETS</u>			
Property, Plant and Equipment	8	4,918,081	5,118,090
TOTAL ASSETS		5,134,126	5,447,711
 <u>CURRENT LIABILITIES</u>			
Creditors and Borrowings	9	146,363	236,652
Provisions	10	16,963	47,369
TOTAL CURRENT LIABILITIES		163,326	284,021
 <u>NON-CURRENT LIABILITIES</u>			
Creditors and Borrowings	11	1,681,285	1,645,884
Provisions	12	46,470	42,864
TOTAL NON-CURRENT LIABILITIES		1,727,755	1,688,748
TOTAL LIABILITIES		1,891,081	1,972,769
NET ASSETS		3,243,045	3,474,942
 <u>TOTAL EQUITY</u>			
Retained Profits		3,243,045	3,474,942

The accompanying notes form part of this financial report

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD

A.B.N. - 25 001 013 074

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Retained Earnings \$	Total \$
Balance at 1 July 2017	3,530,145	3,530,145
Loss Attributable to Members	(55,203)	(55,203)
Balance at 30 June 2018	<u>3,474,942</u>	<u>3,474,942</u>
Loss Attributable to Members	(231,897)	(231,897)
Balance at 30 June 2019	<u>3,243,045</u>	<u>3,243,045</u>

The accompanying notes form part of this financial report



MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.B.N. - 25 001 013 074
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Club Operations		2,132,554	2,243,922
Payments to Suppliers & Employees		(2,230,444)	(2,091,258)
Goods & Services Tax Payments		(81,322)	(62,482)
Interest Received		7	8
Rental Properties - Net		171,179	189,342
Income Taxes Paid		(80,220)	5,288
Net cash generated from operating activities	19	(88,246)	284,820
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for Property, Plant & Equipment		(49,373)	(410,511)
Proceeds Disposal Property, Plant & Equipment		-	-
Net cash generated from investing activities		(49,373)	(410,511)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long Term Debt Funding (Repayments)		35,401	184,013
Net cash generated from financing activities		35,401	184,013
Net increase (decrease) in cash held		(102,218)	58,322
Cash on Hand at beginning of the financial year		257,379	199,057
Cash on Hand at end of the financial year	19	155,161	257,379

The accompanying notes form part of this financial report



MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.B.N. - 25 001 013 074
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

The financial report is for Manly-Warringah Master Builders' Club Ltd as an individual entity, incorporated and domiciled in Australia. Manly-Warringah Master Builders' Club Ltd is a company limited by guarantee.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in the financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report, except for the cash flow information, has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(a) Revenue

upon the delivery of the service or goods to the customers.

Interest revenue is recognised on a receipts basis.

All revenue is stated net of the amount of Goods and Services Tax (GST).

(b) Inventories

Inventories are measured at the lower of cost and current replacement cost.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost as indicated, less, where applicable accumulated depreciation.

Property

Freehold land and buildings are shown at their cost as indicated.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The accompanying notes form part of this financial report



MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.B.N. - 25 001 013 074
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

Depreciation on property, plant and equipment is calculated using the straight line method to allocate their cost, net of residual values over their estimated useful lives. The estimated useful life of the Club House is 40 years. Plant, equipment, furniture and fittings vary between 2 1/2 and 20 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than the estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

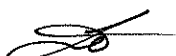
(d) Impairment of Assets

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

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the company estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.



MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

(e) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(h) Income Tax

The Club's liability for Income Tax relates to the net revenue from non-members, rentals and interest less concessional deductions claimable under the Income Tax Assessment Act and is not determined on the profit as shown in the Income Statement.

(i) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.B.N. - 25 001 013 074
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

(j) Comparative Figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial report, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(k) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(l) Trade Receivables

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts known to be uncollectable are written off. A provision for doubtful debts is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The movement in the provision is recognised in the Income Statement.

(m) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

(n) Key Estimates

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.B.N. - 25 001 013 074
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
<u>NOTE 2 - Revenue and Other Income</u>			
Sales Revenue:			
Sale of Goods		1,784,712	1,913,255
Other Revenue:			
Interest Received		7	8
Members' Subscriptions		16,378	18,294
Commission and Sundry Income		137,595	108,380
Rental Income		295,901	286,913
Total Revenue		2,234,593	2,326,850

The Office of State Revenue has paid \$17,180 to the Club under the GST Rebate Scheme based on the Club's gaming profit

NOTE 3 - Profit Before Income Tax

Expenses:			
Interest Expense		90,759	87,228
Cost of Sales		780,984	794,122

NOTE 4 - Auditors' Remuneration

Auditing the Financial Report		19,500	19,500
Taxation or Compliance Services		7,707	7,407
		27,207	26,907

The accompanying notes form part of this financial report



MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.B.N. - 25 001 013 074
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

		2018
<u>NOTE 5 - Cash and Cash Equivalents</u>		
Cash on Hand	75,000	75,000
Cash at Bank	80,161	182,379
	155,161	257,379
 <u>NOTE 6 - Receivables</u>		
Debtor - Income Tax Refundable	10,305	-
Prepayments & Deposits	19,098	17,816
Sundry Debtors -		
Accrued Income	5,494	28,733
	34,897	46,549
 <u>NOTE 7 - Inventories</u>		
Stock on Hand - at Cost	25,987	25,693
 <u>NOTE 8 - Property, Plant and Equipment</u>		
Club Building & Car Park	2,862,345	2,899,570
Less Accumulated Depreciation	716,945	675,018
	2,145,400	2,224,552
Freehold Land & Building -		
Investment Properties	2,147,331	2,147,331
Less Accumulated Depreciation	11,966	11,008
	2,135,365	2,136,323
Plant, Equipment, Furniture &		
Fittings	2,014,079	2,052,118
Less Accumulated Depreciation	1,376,763	1,294,903
	637,316	757,215
	4,918,081	5,118,090

In accordance with the Registered Clubs Act, the Club's core property is located at 16-18 Fisher Road, Dee Why

The accompanying notes form part of this financial report

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.B.N. - 25 001 013 074
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

2018

NOTE 9 - Creditors & Borrowings

Trade Creditors	72,983	154,599
Sundry Creditors & Accruals	37,671	28,724
Subscriptions in Advance	4,705	3,651
Goods and Services Tax Payable	17,941	24,790
Asset Purchase Liability	13,063	24,888
	<u>146,363</u>	<u>236,652</u>

NOTE 10 - Provisions

Provision for Income Tax	-	33,406
Provision for Employee Entitlements	16,963	13,963
	<u>16,963</u>	<u>47,369</u>

NOTE 11 - Creditors & Borrowings

Loan (Secured) - Westpac Banking Corporation	1,681,285	1,645,884
	<u>1,681,285</u>	<u>1,645,884</u>

The security for the Westpac Bank loans are first registered equitable mortgages over two of the Club's four properties

NOTE 12 - Provisions

Provision for Employee Entitlements	46,470	42,864
	<u>46,470</u>	<u>42,864</u>



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FOR THE YEAR ENDED 30 JUNE 2019

Note 2019 2018

NOTE 13 - Events after The Balance Sheet Date

As at the date of this report, there are no other matters or circumstances which have arisen since 30 June 2019 that have significantly affected or may significantly affect:-

- (i) the operations of the company;
- (ii) the results of those operations; or
- (iii) the state of affairs of the company

in the financial years subsequent to 30 June 2019.

NOTE 14 - Segment Reporting

The company operates predominantly in the Club industry. The principal activities of the company are the operation of a Registered Club. The company operates in one geographical area, being Dee Why, New South Wales, Australia.

NOTE 15 - Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments and accounts receivable and payable.

The main purpose of non-derivative instruments is to raise finance for company operations.

Financial Assets

Financial Risk Management Policies

The Board of Directors meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board of Directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

The accompanying notes form part of this financial report



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Interest Rate Risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. The net effective variable interest rate on borrowings exposes the company to interest rate risk which will impact future cash flows and interest charges and is indicated by the below interest rate financial liabilities.

Liquidity Risk

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. This is achieved by:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk, related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider that there is any material risk that the bank will terminate such facilities. The bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year end could become repayable within 12 months. Financial guarantee liabilities are treated as payable on demand since the company has no control over the timing of any potential settlement of the liability.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will roll forward.



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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

Financial liability and financial asset maturity analysis

	2019	2018
Financial liabilities due payment	Within 1	year
Westpac Bank Loans	-	-
Total contractual outflows	-	-
Total expected outflows	-	-
Net (outflow) inflow on financial instruments	-	-
Financial liabilities due payment	Within 5	years
Westpac Bank Loans	1,681,285	1,645,884
Total contractual outflows	1,681,285	1,645,884
Total expected outflows	1,681,285	1,645,884
Net (outflow) inflow on financial instruments	1,681,285	1,645,884
Financial Liabilities	Total	
Westpac Bank Loans	1,681,285	1,645,884
Total contractual outflows	1,681,285	1,645,884
Total expected outflows	1,681,285	1,645,884
Net (outflow) inflow on financial instruments	1,681,285	1,645,884

Financial Assets Pledged as Collateral

Certain financial assets have been pledged as security for debt and their realisation into cash may be restricted subject to terms and conditions attached to the relevant debt contracts.

Foreign Exchange Risk

The company is not exposed to fluctuations in foreign currencies.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial report.

There are no material amounts of collateral held as security at year end.

Credit risk is managed on a company basis and reviewed regularly by the finance committee. It arises from exposures to customers as well as through certain derivative financial instruments and deposits with financial institutions.

The accompanying notes form part of this financial report



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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

The Board of Directors monitors credit risk by actively assessing the rating quality and liquidity of counterparties:

- only banks and financial institutions with an 'A' rating are utilised;
- all potential customers are rated for credit worthiness taking into account their size, market position and financial standing; and
- customers that do not meet the company's strict credit policies may only purchase in cash or using recognised credit cards.

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet. Credit risk also arises through the provision of financial guarantees, as approved at Board level, given to third parties in relation to obligations under its bank bill facility.

The company has no significant concentration of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company. The trade receivables balances at current and prior year end do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

Credit risk related to balances with banks and other financial institutions is managed by the Board of Directors in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-.

Price Risk

The company is not exposed to any material commodity price risk.

NOTE 16 - Company Details

The Registered Office and Principal Place of Business of the company is:

Manly-Warringah Master Builders' Club Ltd
18 Fisher Road
Dee Why NSW 2099



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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 17 - Related Party Transactions

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

During the year, Philip O'Leary provided building services to the Club amounting to \$5,613.

NOTE 18 - Members' Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the Memorandum of Association states that each member, or within one year thereafter, is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the company.

NOTE 19 - Cash Flow Information

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2019	2018
Cash	75,000	75,000
Cash at Bank	80,161	182,379
	<u>155,161</u>	<u>257,379</u>

(b) Reconciliation of Cash from Operations with Profit

Profit (Loss) After Income Tax	(231,897)	(55,203)
Non-Cash Flows in Profit:		
Depreciation	249,382	240,147
(Increase)Decrease in Sundry Debtors	12,934	17,344
(Increase)Decrease in Stock on Hand	(294)	(4,690)
(Increase)Decrease in Prepayments & Deposits	(1,282)	13,418
Increase(Decrease) in Trade Creditors	(81,616)	67,129
Increase(Decrease) in Sundry Creditors	(42,079)	40,124
Increase(Decrease) in Other Provisions	6,606	(33,449)
Net Cash provided by Operating Activities	<u>(88,246)</u>	<u>284,820</u>

The accompanying notes form part of this financial report

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD

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AUDITOR'S SUPPLEMENTARY INFORMATION TO THE MEMBERS
ON THE 30 JUNE 2019 FINANCIAL REPORT

ADDITIONAL INFORMATION

The Bar Trading Statement, Poker Machine Operating Statement and the Detailed Profit and Loss Statement contained in the following three pages for the year ended 30 June 2019 have been prepared from accounting and other records of Manly-Warringah Master Builders' Club Ltd and have been subjected to the tests and other auditing procedures applied in my examination of the financial report for the year ended 30 June 2019.

The Bar Trading Statement, Poker Machine Operating Statement and the Detailed Profit and Loss Statement do not form part of the financial report in respect of the year ended 30 June 2019, referred to in my report to members and accordingly I do not express an audit opinion thereon.



Joseph Shamia

Joseph Shamia & Co.
Chartered Accountants

Suite 1, 307-317 Condamine Street, Manly Vale NSW 2093

Dated this 23rd day of September 2019



MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD

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TRADING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2019

2018

SALES

Poker Machines	850,198	969,323
Bar	934,514	943,932
	<u>1,784,712</u>	<u>1,913,255</u>

LESS COST OF SALES

Bar - Opening Stock	25,693	21,003
Bar - Purchases	361,734	382,700
	<u>387,427</u>	<u>403,703</u>
Bar - Closing Stock	25,987	25,693
	<u>361,440</u>	<u>378,010</u>
	<u>1,423,272</u>	<u>1,535,245</u>

LESS OTHER OPERATING EXPENSES

Poker Machines - Duty & Expenses	14,605	14,621
Poker Machines - Repairs & Maintenance	21,618	38,329
Poker Machines - Data Monitoring Service	15,695	15,366
Bar - Wages	339,650	335,897
Bar - Sundry Expenses (Bar Plant, Glass Replacement)	27,976	11,899
	<u>419,544</u>	<u>416,112</u>
GROSS TRADING PROFIT	<u>1,003,728</u>	<u>1,119,133</u>

The accompanying notes form part of this financial report



MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD

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PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

2018

INCOME

Gross Trading Profit	1,003,728	1,119,133
Interest Received	7	8
Members' Subscriptions	16,378	18,294
Commission and Sundry Income	137,595	108,380
Rental Income	295,901	286,913
TOTAL INCOME	1,453,609	1,532,728

LESS EXPENDITURE

Advertising	47,464	38,344
Auditors Remuneration	27,207	26,907
Bank & Credit Card Charges	12,276	10,215
Bookkeeping	65,990	33,581
Cleaning & Waste Removal	41,545	44,011
Consultants	51,272	3,600
Depreciation	249,382	240,147
Directors Expenses	10,732	10,330
Directors Honorarium	17,000	19,235
Donations & Sponsorships	8,661	15,081
Electricity & Gas	82,876	68,366
General Expenses	17,160	28,658
Insurance	45,126	45,406
Interest Paid	90,759	87,228
Legal Fees	-	889
Office Equipment Rental and Computer Expenses	18,079	23,632
Printing, Postage & Stationery	9,443	12,579
Provision for Employee Entitlements	6,606	21,405
Rates	17,558	20,202
Rental Expenses	124,722	97,571
Repairs & Maintenance	90,533	89,325
Security Costs	30,307	30,730
Social Functions, Promotions & Entertainment	288,830	290,048
Staff Training, Welfare & Uniforms	18,239	10,142
Superannuation	50,773	55,724
Telephone	6,046	6,234
Wages - Administration & Reception	211,269	205,551
TOTAL EXPENDITURE	1,639,855	1,535,141
NET OPERATING PROFIT (LOSS) BEFORE INCOME TAX	(186,246)	(2,413)

The accompanying notes form part of this financial report



MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD

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PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

2018

Income Tax Expense	<u>45,651</u>	<u>52,790</u>
NET OPERATING PROFIT (LOSS) AFTER INCOME TAX	<u>(231,897)</u>	<u>(55,203)</u>
NET OPERATING PROFIT (LOSS) AFTER INCOME TAX	(231,897)	(55,203)
Retained profits at the beginning of the financial year	<u>3,474,942</u>	<u>3,530,145</u>
TOTAL AVAILABLE FOR APPROPRIATION	<u>3,243,045</u>	<u>3,474,942</u>
RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR	<u>3,243,045</u>	<u>3,474,942</u>

The accompanying notes form part of this financial report

