

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD

A.B.N. - 25 001 013 074

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

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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 2022 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	25 years	Culture, Future Direction, Human Resources, Gaming Machines
Philip O'Leary	28 years	Culture, Future Direction, House & Building, Gaming Machines
Anthony Larter	33 years	Culture, Future Direction, Strategic Planning, Gaming Machines
Maurice Segedin	47 years	Culture, Future Direction, Properties & Storage
Richard Shacklady	35 years	Culture, Future Direction, Membership
Gordon Leggett	20 years	President, Culture, Future Direction, Risk Management, Gaming Machines
Leigh Hammond	18 years	Resigned during the year

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 14 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	11
Philip O'Leary	12	12
Anthony Larter	12	12
Maurice Segedin	12	12
Richard Shacklady	12	12
Gordon Leggett	12	12
Leigh Hammond	12	5

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 2022 after providing for income tax was \$220,913 (2021 Loss \$166,657 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 \$499 (2021 \$25,224). During the year, net cash decreased by \$8,425 (2021 decreased by \$23,778). Depreciation charge for the year was \$137,287 (2021 \$168,073).

Dividends

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

Significant Changes in State of Affairs

Due to the Coronavirus (COVID-19) pandemic declared by the World Health Organisation (WHO) on 11 March 2020, the Australian Government introduced restrictions in line with Government health department guidelines. Since that date, there have been lockdowns imposed by the New South Wales government since 26 June 2021 that have affected trading for the year ending 30 June 2022.

Other than the impact of COVID-19, there has been no other significant change in the company's state of affairs 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 2022 that have significantly affected or may significantly affect (other than as stated below):

- (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 2022.

The Directors will continue to monitor Government health guidelines and the potential impact of COVID-19 on the Club's operations which may affect the operations of the company.

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 2022 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 - Gordon Leggett

Dated this 6th day of October 2022

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 2022 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

A handwritten signature in black ink, appearing to read 'Joseph Shamia', with a large circular flourish on the left side.

Joseph Shamia
Registered Company Auditor

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

Dated this 6th day of October 2022

**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 2022, 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 2022 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 2022, 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.

A handwritten signature in black ink, appearing to read 'Joseph Shamia'.

Joseph Shamia

Joseph Shamia & Co.
Chartered Accountants

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

Dated this 6th day of October 2022

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD

A.B.N. - 25 001 013 074

DIRECTORS' DECLARATION

30 JUNE 2022

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 2022 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 - Gordon Leggett

Dated this 6th day of October 2022

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 2022

	Note	2022	2021
Revenue		1,200,255	1,393,896
Cost of Goods Sold		(178,449)	(176,106)
Employee Benefits Expense		(343,943)	(400,938)
Depreciation & Amortisation Expense		(137,287)	(168,073)
Finance Costs	3	(57,877)	(80,336)
Other Expenses		(613,906)	(716,270)
		<hr/>	<hr/>
Profit (Loss) Before Income Tax	3	(131,207)	(147,827)
Prior Period Adjustment	3	(58,358)	-
Income Tax Expense		(31,348)	(18,830)
		<hr/>	<hr/>
Profit (Loss) Attributable to Members		(220,913)	(166,657)
		<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 2022

	NOTE		2021
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	5	127,377	135,802
Receivables	6	28,142	39,191
Inventories	7	15,367	18,228
		170,886	193,221
TOTAL CURRENT ASSETS			
 <u>NON-CURRENT ASSETS</u>			
Property, Plant and Equipment	8	4,224,013	4,361,027
		4,394,899	4,554,248
TOTAL ASSETS			
 <u>CURRENT LIABILITIES</u>			
Creditors and Borrowings	9	229,657	103,360
Provisions	10	30,542	15,870
		260,199	119,230
TOTAL CURRENT LIABILITIES			
 <u>NON-CURRENT LIABILITIES</u>			
Creditors and Borrowings	11	1,510,432	1,593,474
Provisions	12	55,869	52,232
		1,566,301	1,645,706
TOTAL NON-CURRENT LIABILITIES			
		1,826,500	1,764,936
TOTAL LIABILITIES			
		2,568,399	2,789,312
NET ASSETS			
 <u>TOTAL EQUITY</u>			
Retained Profits		2,568,399	2,789,312

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 2022

	Retained Earnings \$	Total \$
Balance at 1 July 2020	2,955,969	2,955,969
Loss Attributable to Members	(166,657)	(166,657)
Balance at 30 June 2021	<u>2,789,312</u>	<u>2,789,312</u>
Loss Attributable to Members	(220,913)	(220,913)
Balance at 30 June 2022	<u>2,568,399</u>	<u>2,568,399</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 2022

	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Club Operations		994,049	1,173,021
Payments to Suppliers & Employees		(1,047,022)	(1,313,020)
Goods & Services Tax Payments		(23,824)	(18,686)
Interest Received		-	4
Rental Properties - Net		165,536	149,025
Income Taxes Paid		(605)	(11,171)
Net cash generated from operating activities	19	88,134	(20,827)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for Property, Plant & Equipment		(499)	(25,224)
Proceeds Disposal Property, Plant & Equipment		-	-
Net cash generated from investing activities		(499)	(25,224)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long Term Debt Funding (Repayments)		(96,060)	22,273
Net cash generated from financing activities		(96,060)	22,273
Net increase (decrease) in cash held		(8,425)	(23,778)
Cash on Hand at beginning of the financial year		135,802	159,580
Cash on Hand at end of the financial year	19	127,377	135,802

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 2022

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 2022

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 2022

(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
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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

(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 2022

	Note	2022	2021
<u>NOTE 2 - Revenue and Other Income</u>			
Sales Revenue:		785,542	779,612
Other Revenue:			
Interest Received		-	4
Members' Subscriptions		12,187	10,871
Commission and Sundry Income		49,325	67,213
JobKeeper		-	184,800
Cash Flow Boost		-	44,755
JobSaver		47,290	-
Government Subsidy		15,000	-
Rental Income		290,911	306,641
Total Revenue		1,200,255	1,393,896

The Office of State Revenue paid \$17,057 to the Club under the GST Rebate Scheme based on the Club's gaming profit

NOTE 3 - Profit Before Income Tax

Expenses:

Interest Expense	57,877	80,336
Cost of Sales	380,249	413,828
Prior Period Adjustment	58,358	-

During the year, a prior period adjustment was required in order to reflect balance of ATM clearing account as at year end due to anomaly with changeover of accounting system including an adjustment to reflect liability with the Australian Taxation Office in respect of the Activity Statement account, the subject of which was under a payment plan during the previous year. As the adjustment relates to the prior period and is a below the line adjustment, there is no effect on the operating results for the year

NOTE 4 - Auditors' Remuneration

Auditing the Financial Report	19,500	19,500
Taxation or Compliance Services	5,933	7,650
	25,433	27,150

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 2022

		2021
<u>NOTE 5 - Cash and Cash Equivalents</u>		
Cash on Hand	75,000	75,000
Cash at Bank	52,377	60,802
	127,377	135,802
 <u>NOTE 6 - Receivables</u>		
Other Debtors	1,453	-
Debtor - Income Tax Refundable	-	23,367
Prepayments & Deposits	9,825	12,546
Sundry Debtors - Accrued Income	16,864	3,278
	28,142	39,191
 <u>NOTE 7 - Inventories</u>		
Stock on Hand - at Cost	15,367	18,228
 <u>NOTE 8 - Property, Plant and Equipment</u>		
Club Building & Car Park	2,406,271	2,406,271
Less Accumulated Depreciation	655,354	600,159
	1,750,917	1,806,112
Freehold Land & Building - Investment Properties	2,143,825	2,143,825
Less Accumulated Depreciation	13,711	12,841
	2,130,114	2,130,984
Plant, Equipment, Furniture & Fittings	1,928,609	1,928,156
Less Accumulated Depreciation	1,585,627	1,504,225
	342,982	423,931
	4,224,013	4,361,027

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

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 2022

2021

NOTE 9 - Creditors & Borrowings

Trade Creditors	48,608	31,025
Sundry Creditors & Accruals	144,235	61,394
Subscriptions in Advance	3,151	2,620
Goods and Services Tax Payable	21,673	8,321
Other Creditors - Clearing Accounts	11,990	-
	<u>229,657</u>	<u>103,360</u>

NOTE 10 - Provisions

Provision for Income Tax	13,244	-
Provision for Employee Entitlements	17,298	15,870
	<u>30,542</u>	<u>15,870</u>

NOTE 11 - Creditors & Borrowings

Loan (Secured) - Westpac Banking Corporation	1,510,432	1,593,474
	<u>1,510,432</u>	<u>1,593,474</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	55,869	52,232
	<u>55,869</u>	<u>52,232</u>

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 2022

Note 2022 2021

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 2022 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 2022.

The Directors will continue to monitor Government health guidelines and the potential impact of COVID-19 on the Club's operations which may affect the operations of the company.

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 2022

Financial liability and financial asset maturity analysis

	2022	2021
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	1,510,432	1,510,432
Total contractual outflows	1,510,432	1,510,432
Total expected outflows	1,510,432	1,510,432
Net (outflow) inflow on financial instruments	1,510,432	1,510,432
Financial Liabilities	Total	
Westpac Bank Loans	1,510,432	1,510,432
Total contractual outflows	1,510,432	1,510,432
Total expected outflows	1,510,432	1,510,432
Net (outflow) inflow on financial instruments	1,510,432	1,510,432

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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FOR THE YEAR ENDED 30 JUNE 2022

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

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 2022

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, there were no services provided to the Club by any related party.

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:

	2022	2021
Cash	75,000	75,000
Cash at Bank	52,377	60,802
	<u>127,377</u>	<u>135,802</u>

(b) Reconciliation of Cash from Operations with Profit

Profit (Loss) After Income Tax	(207,669)	(166,657)
Non-Cash Flows in Profit:		
Depreciation	137,287	168,073
(Increase)Decrease in Sundry Debtors	8,328	(9,933)
(Increase)Decrease in Stock on Hand	2,861	(1,793)
(Increase)Decrease in Prepayments & Deposits	2,721	11,817
Increase(Decrease) in Trade Creditors	17,583	(4,027)
Increase(Decrease) in Sundry Creditors	121,958	(25,058)
Increase(Decrease) in Other Provisions	5,065	6,751
Net Cash provided by Operating Activities	<u>88,134</u>	<u>(20,827)</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 2022 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 2022 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 2022.

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 2022, referred to in my report to members and accordingly I do not express an audit opinion thereon.

Joseph Shamia

A handwritten signature in black ink, appearing to read 'Joseph Shamia', written in a cursive style.

Joseph Shamia & Co.
Chartered Accountants

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

Dated this 6th day of October 2022

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD

A.B.N. - 25 001 013 074

TRADING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2022

2021

SALES

Poker Machines	368,968	358,522
Bar	416,574	421,090
	<u>785,542</u>	<u>779,612</u>

LESS COST OF SALES

Bar - Opening Stock	18,228	16,435
Bar - Purchases	175,588	177,899
	<u>193,816</u>	<u>194,334</u>
Bar - Closing Stock	15,367	18,228
	<u>178,449</u>	<u>176,106</u>
	<u>607,093</u>	<u>603,506</u>

LESS OTHER OPERATING EXPENSES

Poker Machines - Duty & Expenses	(8,511)	(11,954)
Poker Machines - Repairs & Maintenance	20,849	31,118
Poker Machines - Data Monitoring Service	11,835	13,617
Bar - Wages	157,170	185,145
Bar - Sundry Expenses (Bar Plant, Glass Replacement)	20,457	19,796
	<u>201,800</u>	<u>237,722</u>
GROSS TRADING PROFIT	<u>405,293</u>	<u>365,784</u>

The accompanying notes form part of this financial report

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD

A.B.N. - 25 001 013 074

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

2021

INCOME

Gross Trading Profit	405,293	365,784
Interest Received	-	4
Members' Subscriptions	12,187	10,871
Commission and Sundry Income	49,325	67,213
JobKeeper	-	184,800
Cash Flow Boost	-	44,755
JobSaver	47,290	-
Government Subsidy	15,000	-
Rental Income	290,911	306,641
TOTAL INCOME	820,006	980,068

LESS EXPENDITURE

Advertising	32,100	30,370
Auditors Remuneration	25,433	27,150
Bank & Credit Card Charges	14,089	8,907
Cleaning & Waste Removal	23,052	23,600
Consultants	7,504	13,575
Depreciation	137,287	168,073
Directors Expenses	3,253	1,618
Directors Honorarium	17,000	17,000
Donations & Sponsorships	2,727	6,063
Electricity & Gas	51,886	48,104
General Expenses	3,267	13,809
Insurance	56,539	59,427
Interest Paid	57,877	80,336
Legal Fees	10,855	9,763
Office Equipment Rental and Computer Expenses	17,675	24,568
Printing, Postage & Stationery	6,339	6,108
Provision for Employee Entitlements	5,065	6,751
Rates	12,638	12,361
Rental Expenses	125,375	157,616
Repairs & Maintenance	37,886	77,286
Security Costs	4,602	6,333
Social Functions, Promotions & Entertainment	98,683	105,097
Staff Training, Welfare & Uniforms	2,675	2,500
Subscriptions	5,900	-
Superannuation	26,575	35,313
Telephone	4,733	5,687
Wages - Administration & Reception	160,198	180,480
TOTAL EXPENDITURE	951,213	1,127,895

The accompanying notes form part of this financial report

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD**A.B.N. - 25 001 013 074****PROFIT AND LOSS STATEMENT**
FOR THE YEAR ENDED 30 JUNE 2022

2021

NET OPERATING PROFIT (LOSS) FOR THE YEAR	<u>(131,207)</u>	<u>(147,827)</u>
<u>NON-OPERATING INCOME AND EXPENSES</u>		
<u>Non Operating Expenses</u>		
Prior Period Adjustment	<u>58,358</u>	<u>-</u>
NET OPERATING PROFIT (LOSS) BEFORE INCOME TAX	<u>(189,565)</u>	<u>(147,827)</u>
Income Tax Expense	<u>31,348</u>	<u>18,830</u>
NET OPERATING PROFIT (LOSS) AFTER INCOME TAX	<u>(220,913)</u>	<u>(166,657)</u>
NET OPERATING PROFIT (LOSS) AFTER INCOME TAX	<u>(220,913)</u>	<u>(166,657)</u>
Retained profits at the beginning of the financial year	<u>2,789,312</u>	<u>2,955,969</u>
TOTAL AVAILABLE FOR APPROPRIATION	<u>2,568,399</u>	<u>2,789,312</u>
RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR	<u>2,568,399</u>	<u>2,789,312</u>

The accompanying notes form part of this financial report