

# Financial Report

Manly-Warringah Master Builders' Club Ltd  
ABN 25 001 013 074  
For the year ended 30 June 2024

Prepared by BeWeiszer Accounting & Tax

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## Directors' Report

### Manly-Warringah Master Builders' Club Ltd For the year ended 30 June 2024

#### Directors' Report

Your Directors submit the financial report of Manly-Warringah Master Builders Club Ltd for the financial year ended 30 June 2024.

#### Directors

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

Director	Experience	Special Responsibilities
Peter Haack	27 years	Culture, Future Direction, Human Resources, Gaming Machines
Philip O'Leary	30 years	Culture, Future Direction, House and Building, Gaming Machines
Anthony Larter	35 years	Culture, Future Direction, Strategic Planning, Gaming Machines
Maurice Segedin, resigned 18/06/2024	49 years	Culture, Future Direction, Properties and Storage
Richard Shacklady	37 years	Culture, Future Direction, Membership
Gordon Leggett	22 years	President, Culture, Future Direction, Risk Management, Gaming Machines

Directors have been in the 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 16 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:

Director	No. of Director Meetings Held	No. of Director Meetings Attended
Peter Haack	12	11
Philip O'Leary	12	11
Anthony Larter	12	12
Maurice Segedin	11	11
Richard Shacklady	12	12
Gordon Leggett	12	12

#### 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.

## Operating Result

The loss after providing for income tax for the financial year amounted to, as per below:

\$285,488 (2023: Loss of \$209,397 after providing for income tax).

## Significant Changes

No significant change in the nature of these activities occurred during the period since inception.

## Going Concern

This financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the association to continue to operate as a going concern is dependent upon the ability of the association to generate sufficient cashflows from operations to meet its liabilities. The members of the association believe that the going concern assumption is appropriate.

The Club has faced significant challenges in recent years, incurring trading losses for the past three financial years. In response to this, the Board have taken proactive measures to restore financial stability. They have approved a budget for the fiscal year ending 2025, projecting a trading profit of \$107,291 before accounting for interest and depreciation. This optimistic outlook is largely attributed to strategic improvements, including acquiring new gaming machines, enhanced bar trading, and the activation of the function space.

The Club's financial arrangement with Avari Capital is a critical consideration. The current facility will expire on July 19, 2025, but the agreement provides for an extension of the term, up to a maximum of 24 months. The Board recognises the importance of planning ahead and will need to make a formal request for this extension as the expiration date approaches.

The Board is also exploring the potential redevelopment of the site. They have conducted extensive research into the feasibility of various development options, with a decision expected within the next 12 months. Alongside these considerations, the possibility of selling assets to repay existing debt has also been discussed. These strategic moves reflect the Board's commitment to returning the club to a profitable position while navigating the complexities of its financial landscape.

## Review of Operations

A review of operations of the company during the financial year indicated: During the year, net cash decreased by \$9,287 (2023 decreased by \$3,775). Depreciation charge for the year was \$107,782 (2023: \$119,789)

## Dividends

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

## Post Balance Sheet Date

At the date of this report, there are no other matters or circumstances which have arisen since 30 June 2024 that have significantly affected or may significantly affect (other than as stated below):

1. the operations of the company;
  2. the results of those operations; or
  3. the state of affairs of the company
- in the financial year subsequent to 30 June 2024.

### **Future Developments**

The Directors do not anticipate any changes in the operations of the Company which will affect the results in subsequent years.

### **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 and Auditor**

The Company has provided for and paid premiums during the year for the 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.

### **Legal Proceedings**

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.

### **Rounding off of amounts**

The Company is a company of the kind referred to in ASIC Corporation (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest dollar, unless otherwise indicated.

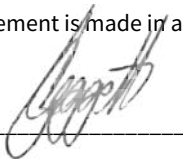
### **Contribution in winding up**

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.

### **Auditor's Independence Declaration**

The Auditor's independence declaration for the year ended 30 June 2024 as required under Section 307C of the Corporations Act 2001 has been received and is set out on the following page.

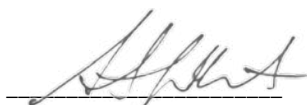
This statement is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Board by :



**Gordon Leggett**

*President*

Date **31 / 10 / 2024**



**Anthony Larter**

*Vice-President*

Date 31 / 10 / 2024

## **Independent Auditor's Report**

### **Manly-Warringah Master Builders' Club Limited** **For the year ended 30 June 2024**

#### **Report on the Financial Report**

I have audited the accompanying financial report, being a general purpose financial report, of Manly-Warringah Master Builders' Club Limited (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit and loss and other comprehensive income, statement of changes in equity, statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entities' declaration.

In my opinion, the financial report of the Manly-Warringah Master Builders' Club Limited as at 30 June 2024 presents fairly in all material aspects the financial position of the Manly-Warringah Master Builders' Club Limited and its financial performance for the period then ended in accordance with the basis of accounting described in Note 1 to the financial report and satisfies the requirements of the Corporations Act 2001 (Cth) and the company's constitution including:

- a) giving a fair and true view of the registered entity's financial position as at 30 June 2024 and of its financial performance for the period ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, and Corporations Act 2001 (Cth).

#### **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 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 other ethical responsibilities in accordance with the Code.

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

#### **Emphasis of Matter - Basis of Accounting**

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Company's financial reporting responsibilities under the Corporations Act 2001 (Cth) and the Company's constitution. As a result, the financial report may not be suitable for another purpose. My opinion is not Modified in respect of this matter.

#### **Material Uncertainty Related to Going Concern**

I draw attention to Note 19 in the financial report, which indicates that the Company incurred a net loss of \$285,488 during the year ended 30 June 2024 and, as of that date, the Company's current liabilities exceeded its total assets by \$2,089,708. As stated in Note 19, these events or conditions, along with other matters as set forth in Note 19, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

The Board of Directors is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 (Cth) and the needs of the members. The Board's responsibility also includes

such internal control as the Board determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the registered entity 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 the financial report. As part of an audit in accordance with 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If 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.

I communicate with the Board 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.

Auditor's signature: 

Peter M Power FCA

Auditor's address: Suite 3, 11 Waratah Street, Mona Vale NSW 2103

Dated: 31<sup>st</sup> October 2024



# Peter M Power

Auditor Number 730

PO Box 65

Mona Vale NSW 1660

Tel: 0457 606 146

Email: powerp1045@gmail.com

ABN 25 898 261 183

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

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I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Auditor:



Peter M Power

Address:

Suite 3, 11 Waratah Street Mona Vale NSW 2103

Dated:

31<sup>st</sup> October 2024

# Statement of Profit and Loss and Other Comprehensive Income

## Manly-Warringah Master Builders' Club Ltd For the year ended 30 June 2024

	NOTES	2024	2023
<b>Revenue</b>			
Revenue	5	1,599,560	1,602,320
<b>Total Revenue</b>		<b>1,599,560</b>	<b>1,602,320</b>
<b>Cost of Sales</b>			
Cost of Sales		285,803	268,432
<b>Total Cost of Sales</b>		<b>285,803</b>	<b>268,432</b>
<b>Expenses</b>			
Employee Benefits Expense		535,438	492,795
Depreciation & Amortisation Expense		107,782	119,789
Finance Costs	6	137,936	106,557
Other Expenses		791,885	792,401
<b>Total Expenses</b>		<b>1,573,042</b>	<b>1,511,543</b>
<b>Current Year Surplus/ (Deficit) Before Income Tax Adjustments</b>		<b>(259,285)</b>	<b>(177,655)</b>
<b>Adjustments and Income Tax Expense</b>			
Income Tax Expense	7	26,203	31,742
<b>Total Adjustments and Income Tax Expense</b>		<b>26,203</b>	<b>31,742</b>
<b>Current Year Surplus/ (Deficit) After Income Tax Adjustments Attributable to Members</b>		<b>(285,488)</b>	<b>(209,397)</b>

## Statement of Financial Position

### Manly-Warringah Master Builders' Club Ltd As at 30 June 2024

	NOTES	30 JUNE 2024	30 JUNE 2023
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	8	89,315	123,602
Receivables	9	41,085	27,278
Inventories	10	10,808	14,840
<b>Total Current Assets</b>		<b>141,208</b>	<b>165,720</b>
<b>Non-Current Assets</b>			
Property, Plant, and Equipment	12	4,018,027	4,104,677
Capitalised Development Costs		159,989	82,934
<b>Total Non-Current Assets</b>		<b>4,178,016</b>	<b>4,187,611</b>
<b>Total Assets</b>		<b>4,319,224</b>	<b>4,353,331</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and Borrowings	13	2,137,200	1,905,986
Provisions	14	93,717	23,174
<b>Total Current Liabilities</b>		<b>2,230,916</b>	<b>1,929,159</b>
<b>Non-Current Liabilities</b>			
Provisions		14,795	65,170
<b>Total Non-Current Liabilities</b>		<b>14,795</b>	<b>65,170</b>
<b>Total Liabilities</b>		<b>2,245,711</b>	<b>1,994,329</b>
<b>Net Assets</b>		<b>2,073,513</b>	<b>2,359,002</b>
<b>Equity</b>			
Retained Profits		2,073,513	2,359,002
<b>Total Equity</b>		<b>2,073,513</b>	<b>2,359,002</b>

## Statement of Changes in Equity

### Manly-Warringah Master Builders' Club Ltd For the year ended 30 June 2024

	NOTES	2024	2023
<b>Retained Earnings after Appropriation</b>			
Retained Earnings at Start of Year		2,359,002	2,568,399
<b>Profit/Loss Attributable to Members</b>			
Profit/(Loss) Before Taxation		(259,285)	(177,655)
Income Tax Expense		26,203	31,742
<b>Total Profit/Loss Attributable to Members</b>		<b>(233,082)</b>	<b>(145,913)</b>
Retained Earnings After Appropriation		2,073,513	2,359,002

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

## Statement of Cash Flows

### Manly-Warringah Master Builders' Club Ltd For the year ended 30 June 2024

	NOTES	2024	2023
<b>Cash flows from Operating Activities</b>			
Receipts from Club Operations		1,412,645	1,403,247
Payments to Suppliers and Employees		(1,565,035)	(1,598,909)
Income Tax Paid		(33,645)	(44,986)
Net Income from Rental Properties		221,464	233,233
<b>Total Cash flows from Operating Activities</b>		<b>35,430</b>	<b>(7,416)</b>
<b>Cash flows from Investing Activities</b>			
Payment for Property, Plant and Equipment		(16,672)	(453)
Capitalised Development Costs		(77,055)	(82,934)
<b>Total Cash flows from Investing Activities</b>		<b>(93,726)</b>	<b>(83,387)</b>
<b>Cash flows from Financing Activities</b>			
Repayments of Loans		10	(57,972)
Proceeds from Borrowings		24,000	145,000
<b>Total Cash flows from Financing Activities</b>		<b>24,010</b>	<b>87,028</b>
<b>Net increase/(decrease) in cash held</b>		<b>(34,287)</b>	<b>(3,775)</b>
<b>Cash Balances</b>			
Opening cash balance	8	123,602	127,377
Closing cash balance	8	89,315	123,602
Movement in cash		(34,287)	(3,775)

# Notes of the Financial Statements

## **Manly-Warringah Master Builders' Club Ltd** **For the year ended 30 June 2024**

### **1. General Information**

#### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law.

For the purposes of preparing the financial statements, the Company is a for-profit entity.

The presentation currency used in these financial statements is Australian dollars (\$). Amounts in these financial statements are stated in Australian dollars unless otherwise noted.

#### **Statement of compliance**

The Company does not have 'public accountability' as defined in AASB 1053 Application of Tiers of Australian Accounting Standards and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards - Simplified Disclosures.

#### **Rounding off of amounts**

The company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Corporations Instrument amounts in this directors' report are rounded off to the nearest dollar, unless otherwise indicated.

#### **Information about the Company**

Manly Warringah Master Builders Club Ltd is a public company limited by guarantee incorporated in Australia under the Corporations Act 2001.

The address of its registered office and principal place of business are as follows:

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

The nature of the Company's operations and its principal activities are - Licensed Club.

### **2. Changes in accounting policies and changes in estimates**

The Company has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2023. Set out below are the new and revised Standards and amendments thereof [and Interpretations] effective for the current year that are relevant to the Company:

<b>Pronouncement</b>	<b>Impact</b>

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	Requires the disclosure of material accounting policy information and clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates.
AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards	The application of the amendments did not have a material impact on the Company's financial statements but has changed the disclosure of accounting policy information in the financial statements.

### 3. Judgements and key sources of estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

#### *Estimation uncertainty*

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

#### *Impairment*

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units, based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

#### *Useful lives of depreciable assets*

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

#### *Inventories*

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

#### *Long service leave*

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

## 4. Accounting policies

### Basis of accounting

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

For the purpose of the financial statements, the results and financial position of the Company are expressed in Australian dollars ('\$'), which is the functional currency of the Company and the presentation currency for the financial statements.

The material accounting policies are set out below.

### Leases

The Company is a lessor under lease agreements involving its investment properties. These leases are classified as operating.

## Financial Instruments

### *Recognition, initial measurement and derecognition*

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

### *Subsequent measurement financial assets*

#### *Financial assets at amortised cost*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Association's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposit that were previously classified as held-to-maturity under AASB 139.

#### *Financial assets at fair value through profit or loss (FVPL)*

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

#### *Equity instruments at fair value through other comprehensive income (Equity FVOCI)*

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital.

### *Impairment of Financial assets*

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Association considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.



In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

#### *Trade and other receivables*

The Association makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Association uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

#### *Classification and measurement of financial liabilities*

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Association's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Association's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Association designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

## **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

## **Government Grants**

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as [deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets / as a reduction in the carrying amount of the related asset, which is then recognised as a reduced depreciation expense].

## **Income Tax**

The Company'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 in the profit as shown in the Income statement.

## **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 (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the assets and liabilities statement.

## Property, Plant and Equipment (PPE)

Land, Buildings, easehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

In the event the carrying value of plant and equipment is greater than the estimated recoverable amount, the carrying value is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

## Depreciation

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the association. Depreciation commences from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

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

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

## Investment property

Investment property (including property under construction) is measured initially and subsequently at cost, including transaction costs.

## Inventories

Inventories are valued at the lower of cost and net realisable value. No value is ascribed to goods for resale that have been donated to the Company where fair value cannot be reliably determined. Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

## Provisions

Provisions are recognised when the association 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 are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

## Employee Provisions

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 provisions have been measured at the amounts expected to be paid when the liability is settled.

## Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts are presented within current liabilities on the statement of financial position.

### Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

### Accounts Payable and Other Payables

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

## 5. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

If conditions are attached to the grant that must be satisfied before the company is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

All revenue is stated net of the amount of goods and services tax.

### Information about revenue sources

The Company recognises revenue from the following major sources:

- Gaming income from the operation of Gaming Machines
- Bar Income
- Rental income from Investment properties

	2024	2023
<b>Revenue and Other Income</b>		
Sales Revenue	1,157,866	1,165,649
Members Subscriptions	13,736	14,739
Commission and Sundry Income	94,180	92,010
Rental Income	324,992	329,922

	2024	2023
Sundry Income	8,785	-
<b>Total Revenue and Other Income</b>	<b>1,599,560</b>	<b>1,602,320</b>

## 6. Investment income and finance costs

	2024	2023
<b>Finance costs</b>		
Rental Property Interest Expense	34,883	22,279
Interest - Club	103,053	84,278
<b>Total Finance costs</b>	<b>137,936</b>	<b>106,557</b>

## 7. Income tax expense (income)

	2024	2023
Current year tax expense (income)	26,203	31,742
<b>Total Income tax expense (income)</b>	<b>26,203</b>	<b>31,742</b>

## 8. Cash and Cash Equivalents

	2024	2023
TAB Account	12,394	14,168
Trading Account	26,921	34,435
Cash on Hand	50,000	75,000
<b>Total Cash and Cash Equivalents</b>	<b>89,315</b>	<b>123,602</b>

## 9. Receivables

	2024	2023
Accounts Receivable	6,147	3,860
Accrued Income	-	11,374
Borrowing Costs - Balance Sheet	14,852	-
Income Tax Refundable	-	231
Prepayments	11,485	11,813
<b>Total Receivables</b>	<b>32,484</b>	<b>27,278</b>

## 10. Inventories

	2024	2023
Stock on Hand	10,808	14,840
<b>Total Inventories</b>	<b>10,808</b>	<b>14,840</b>

## 11. Other borrowings

	2024	2023
Unsecured - at amortised cost	(169,000)	(145,000)
Secured - at amortised cost	(1,452,469)	(1,452,460)
<b>Total Other borrowings</b>	<b>(1,621,469)</b>	<b>(1,597,460)</b>

2024                      2023

The Company had one principal bank loan:

- A loan of \$1,452,472 (2023: \$1,452,460 ). The loan was taken out on 18 June 2015 with Westpac Banking Corporation. The loan was fully repaid on 6 August 2024. The loan was secured over the 5 Redman Rd property. The loan carried interest rate at 2.65% above the relevant 3-month Bank Bill Swap Rate (BBSY).

- A loan of \$ 2,072,244 (2023: \$ NIL) was taken out on 11 July 2024 with Avari Capital Partners. The interest for the first 12 months has been capitalised into the principal and no regular repayments will be made in the next 12 months. The loan is secured over the three properties. The loan carries interest rate at 6.5% above the relevant 3-month Bank Bill Swap Rate (BBSY).

2024                      2023

## 12. Property, Plant & Equipment

	2024	2023
Plant & Equipment	177,307	207,072
Land and Buildings	3,769,159	3,825,093
Gaming Machines	68,761	72,512
<b>Total Property, Plant &amp; Equipment</b>	<b>4,015,227</b>	<b>4,104,677</b>

2024                      2023

### Movement in Carrying Amount - Property, Plant and Equipment

	2024	2023
Opening Balance	207,072	254,541
Additions	18,332	454
Disposals	-	-
Depreciation	(48,097)	(47,923)
<b>Total Movement in Carrying Amount - Property, Plant and Equipment</b>	<b>177,307</b>	<b>207,072</b>

2024                      2023

### Movement in Carrying Amount - Land and Buildings

	2024	2023
Opening Balance	3,825,093	3,881,031
Additions	-	-
Disposals	-	-
Depreciation	(55,934)	(55,938)
<b>Total Movement in Carrying Amount - Land and Buildings</b>	<b>3,769,159</b>	<b>3,825,093</b>

2024                      2023

### Movement in Carrying Amount - Gaming Machines

	2024	2023
Opening Balance	72,512	88,441
Additions	-	-
Disposals	-	-
Depreciation	(3,751)	(15,929)
<b>Total Movement in Carrying Amount - Gaming Machines</b>	<b>68,761</b>	<b>72,512</b>

2024                      2023

## 13. Creditors and Borrowings

	2024	2023
Accounts Payable	155,543	76,641
Accrued Accounts	104,410	97,729

ATO - Integrated Client Account	228,055	108,161
Other Creditors - Clearing Accounts	12,834	2,521
Credit Card	14,888	9,378
GST	(1,160)	14,096
Income Tax Payable	(7,442)	-
Loans (unsecured) - Directors	169,000	145,000
Loans (secured) - Westpac Banking Corporation	1,452,469	1,452,460
<b>Total Creditors and Borrowings</b>	<b>2,128,598</b>	<b>1,905,986</b>
	<b>2024</b>	<b>2023</b>

#### 14. Provisions

<b>Current</b>		
Provision for Employee Entitlements	93,717	23,174
<b>Total Current</b>	<b>93,717</b>	<b>23,174</b>
<b>Non-Current</b>		
Provision for Employee Entitlements	14,795	65,170
<b>Total Non-Current</b>	<b>14,795</b>	<b>65,170</b>
<b>Total Provisions</b>	<b>108,512</b>	<b>88,344</b>

#### 15. Reconciliation of result for the year to cash flows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	<b>2024</b>	<b>2023</b>
<b>Cash flows from operations</b>		
Profit for the year	(285,488)	(209,397)
Depreciation	107,782	119,789
Interest received	-	-
- (increase)/decrease in trade and other receivables	(13,527)	864
- (increase)/decrease in inventories	4,032	527
- increase/(decrease) in trade and other payables	225,631	80,801
- other	-	-
<b>Total Cash flows from operations</b>	<b>38,430</b>	<b>(7,416)</b>

#### 16. Related Party Transactions

The Company's related parties include its key management personnel and related entities as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

##### *Transactions with related entities*

The Company had no transactions with related parties during the financial year.

#### 17. Contingent assets and contingent liabilities

### Contingent Assets

The Company entered into numerous commercial and residential leases. The longest commercial lease will expire on 28 February 2027. The residential units are all on current leases, two expire April 2025 and the third expires October 2024. All commercial leases have a demolition clause with 6 months notice. The company will redevelop the property in the near future. The Company resolved not to record any right-of-use assets and lease liabilities in its statement of financial position.

### Contingent liabilities

The company owns the properties located at 13 Redman Rd, Dee Why NSW, 5 Redman Rd, Dee Why NSW and 16-20 Fisher Rd, Dee Why NSW. 16-20 Fisher Rd was purchased in 1958 and is a pre-CGT property. 5 and 13 Redman Rd properties are post-CGT properties. The Directors determined that it is very unlikely that 5 and 13 Redman Rd properties will be sold in the future and hence no deferred tax liability has been recorded.

	2024	2023
<b>18. Remuneration of auditors</b>		
Audit of financial reports	19,500	19,500
Other assurance and agreed-upon procedures under other legislation or contractual arrangements	-	-
Other services:	-	-
Tax compliance services	3,574	6,625
Consulting services	-	-

### 19. Going Concern

The Club has faced significant challenges in recent years, incurring trading losses for the past three financial years. In response to this, the Board have taken proactive measures to restore financial stability. They have approved a budget for the fiscal year ending 2025, projecting a trading profit of \$107,291 before accounting for interest and depreciation. This optimistic outlook is largely attributed to strategic improvements, including acquiring new gaming machines, enhanced bar trading, and the activation of the function space.

The Club's financial arrangement with Avari Capital is a critical consideration. The current facility will expire on July 19, 2025, but the agreement provides for an extension of the term, up to a maximum of 24 months. The Board recognises the importance of planning ahead and will need to make a formal request for this extension as the expiration date approaches.

The Board is also exploring the potential redevelopment of the site. They have conducted extensive research into the feasibility of various development options, with a decision expected within the next 12 months. Alongside these considerations, the possibility of selling assets to repay existing debt has also been discussed. These strategic moves reflect the Board's commitment to returning the club to a profitable position while navigating the complexities of its financial landscape.

## Declaration By Directors

### Manly-Warringah Master Builders' Club Ltd For the year ended 30 June 2024

The Directors have determined that the Company is a reporting entity and that this general purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Directors:

1. The financial report which comprises of the statement of financial position as at 30 June 2024 , and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes is in accordance with the Corporations Act 2001 (Cth) and

a) complies with Australian Accounting Standards as set out in Note 1; and

b) gives a true and fair view of the financial position of Manly-Warringah Master Builders Club Ltd as at 30 June 2024 and its performance for the year ended on that date

2. The accompanying statement of comprehensive income is drawn up so as to give a true and fair view of the profit (or loss) of the company for the last financial year;

3. The statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the company as at the end of the financial year;

4. At the date of this statement, there are reasonable grounds to believe that Manly Warringah Master Builders Club Ltd will be able to pay its debts as and when they fall due and payable;

This statement is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Board by:

**President:**

Gordon Leggett



**Vice-President:**

Anthony Larter



**Dated:** 31/10/2024



## Compilation report

### Manly-Warringah Master Builders' Club Ltd For the year ended 30 June 2024

Compilation report to Manly-Warringah Master Builders' Club Ltd

We have compiled the accompanying special purpose financial statements of Manly-Warringah Master Builders' Club Ltd, which comprise the statement of financial position as at 30 June 2024, statement of profit and loss and other comprehensive income, the statement of changes in equity, the statement of cash flows, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

#### The Responsibility of the Committee Members

The committee of Manly-Warringah Master Builders' Club Ltd is solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet its needs and for the purpose that financial statements were prepared.

#### Our Responsibility

On the basis of information provided by the Directors we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.



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Tomas Weiszer

*Chartered Accountant*

#### **BeWeiszer Accounting & Tax**

Suite 5, 11 Waratah Street, Mona Vale NSW 2103

Dated: 31 October 2024

## Income and Expenditure Statement

### Manly-Warringah Master Builders' Club Ltd For the year ended 30 June 2024

	2024	2023
<b>Income</b>		
<b>Sales</b>		
<b>Bar Sales</b>		
Bar Sales - Up	54,617	45,992
Bar Sales - Down	647,809	611,191
<b>Total Bar Sales</b>	<b>702,427</b>	<b>657,183</b>
Gaming Machine Clearances	455,215	508,466
Members Subscriptions	13,736	14,739
<b>Rental Income</b>		
Redman Commercial - Outgoings	15,133	20,984
Redman Commercial - Rental Income	81,954	67,269
Redman Residential - Rental Income	92,605	89,725
Fisher Commercial - Outgoings	48	-
Fisher Commercial - Rental Income	51,811	67,269
Self Storage Income	83,441	84,675
<b>Total Rental Income</b>	<b>324,992</b>	<b>329,922</b>
<b>Commissions and Sundry Income</b>		
Commission	6,600	6,219
Keno Commission	19,048	16,645
TAB Commission	9,256	9,536
Caterers Licence Fee	23,155	21,924
Contract Sales	1,708	1,641
Float Variance	(329)	-
Room Hire	34,413	36,045
Unders/Overs	553	-
<b>Total Commissions and Sundry Income</b>	<b>94,404</b>	<b>92,010</b>
<b>Sundry Income</b>		
Sundry Income	8,785	-
<b>Total Sundry Income</b>	<b>8,785</b>	<b>-</b>
<b>Total Sales</b>	<b>1,599,560</b>	<b>1,602,320</b>
<b>Total Income</b>	<b>1,599,560</b>	<b>1,602,320</b>
<b>Cost of Sales</b>		
Opening Stock	14,840	15,367
Purchases	281,771	267,905
Closing Stock	(10,808)	(14,840)
<b>Total Cost of Sales</b>	<b>285,803</b>	<b>268,432</b>
<b>Gross Surplus</b>	<b>1,313,757</b>	<b>1,333,888</b>
<b>Expenditure</b>		

	2024	2023
Accounting	23,074	26,451
Advertising - Club	34,747	34,577
Badge Draw	9,364	15,182
Bank Fees	2,921	3,693
<b>Bar Expenses</b>		
Bar - Liquor Licence Fee	6,462	12,450
Bar - Replacement of Glasses	273	253
Bar - Sundry Expense	20,396	22,441
Bar Bonus Points	3,018	7,795
Bar Swipe	83	594
<b>Total Bar Expenses</b>	<b>30,232</b>	<b>43,532</b>
Birthday Drinks	2,786	2,406
Birthday Vouchers	1,207	1,655
Bistro Swipe	-	103
Borrowing Costs	648	-
Cleaning	30,405	27,920
<b>Committee Expenses</b>		
Committee - Expenses	-	215
Committee - Food & Drinks	3,831	4,349
Committee - Honorarium	14,000	14,000
<b>Total Committee Expenses</b>	<b>17,831</b>	<b>18,564</b>
Computer Software & Maintenance	4,269	5,950
Contract Purchases	1,060	814
Decorations	1,838	988
Depreciation	107,782	119,789
Donations & Sponsorship	5,297	9,864
Electricity	45,595	48,724
<b>Employment Expenses</b>		
Superannuation	57,603	46,870
Wages - Administration	196,134	181,397
Wages - Bar	281,702	264,529
Employee Entitlements	20,168	15,176
<b>Total Employment Expenses</b>	<b>555,606</b>	<b>507,972</b>
Entertainment	64,117	57,709
<b>Gaming Machine Expenses</b>		
Gaming Machines - Bonus Points	10,849	11,692
Gaming Machines - Data Monitoring Services	18,256	17,051
Gaming Machines - Duty	(17,180)	(17,180)
Gaming Machines - Repairs and Maintenance	26,248	33,098
<b>Total Gaming Machine Expenses</b>	<b>38,174</b>	<b>44,661</b>
Gas	13,375	9,507
General Expenses	2,284	755
Insurance	82,506	75,570

	2024	2023
Inter Club Food & Drink	-	51
Interest - Club	103,053	84,278
<b>Keno Expenses</b>		
Keno - Maintenance	5,187	4,777
Keno - Stationary	240	422
<b>Total Keno Expenses</b>	<b>5,427</b>	<b>5,200</b>
Legal	-	2,900
Meals & Drinks	15,030	10,678
<b>Member Specials</b>		
Tuesday Special	2,043	3,195
Wednesday Special	10,115	8,839
Thursday Special	6,668	7,532
Friday Special	5,696	6,732
Saturday Special	6,121	5,209
Sunday Special	2,469	2,412
<b>Total Member Specials</b>	<b>33,113</b>	<b>33,919</b>
Merchant Fees	10,144	3,388
Office Equipment Rental	6,320	7,007
Poker	55,870	29,886
Printing Membership Cards	2,975	1,637
Raffles	(13,257)	(12,993)
<b>Property Expenses</b>		
Rates - Council & Water	11,607	10,283
Redman Commercial - Expenses	36,402	45,168
Redman Residential - Expenses	16,649	12,895
Rental Property Interest Expense	34,883	22,279
Fisher Commercial - Expenses	34,129	35,893
Land Tax - Properties	54,223	63,101
<b>Total Property Expenses</b>	<b>187,893</b>	<b>189,618</b>
Repairs & Maintenance - Club	37,231	48,615
Security	3,370	5,259
Staff Food & Drinks	2,236	2,369
Staff Training & Expenses	3,065	2,881
Staff Uniforms	-	3
Stationery, Postage & Printing	5,334	1,927
Subscriptions	6,746	6,514
<b>Tab Expenses</b>		
TAB - Sky Channel	14,425	14,425
<b>Total Tab Expenses</b>	<b>14,425</b>	<b>14,425</b>
Telephone & Internet	3,930	4,311
Trivia Vouchers	7,700	8,073
Waste Disposal	7,316	5,213
<b>Total Expenditure</b>	<b>1,573,042</b>	<b>1,511,543</b>

	2024	2023
<b>Current Year Surplus/ (Deficit) Before Income Tax Adjustments</b>	(259,285)	(177,655)
<b>Current Year Surplus/ (Deficit) Before Income Tax</b>	(259,285)	(177,655)
<b>Income Tax Expense</b>		
Income Tax Expense	26,203	31,742
<b>Total Income Tax Expense</b>	26,203	31,742
<b>Net Current Year Surplus After Income Tax</b>	(285,488)	(209,397)