



**2018**

**Annual**

**Report**

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## ANNUAL GENERAL MEETING 2018

**NOTICE** is hereby given of a General Meeting of **THE ILLAWARRA MASTER BUILDERS' CLUB LIMITED** to be held on **Monday 22 October 2018** commencing at **7.00pm** at the premises of the Club, Church Street, Wollongong, New South Wales

### Agenda

1. Present
2. Apologies
3. Minutes of previous annual meeting to be received
4. Business arising from minutes
5. Adoption of minutes
6. Presidents report
7. Auditors report and financial statements
8. Appointment of auditors
9. Election of Officers
10. Consideration of the proposed ordinary resolution
11. General Business

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### NOTICE OF PROPOSED ORDINARY RESOLUTION

Pursuant to the Registered Clubs Act the members hereby approve the following payments and benefits and agree that these payments and benefits are not available to members generally but only to those who are elected as members of the Committee of The Club and the other persons referred to below:

- (a) The payment of the sum of \$10000 to the Chairman of the Committee and the sum of \$1000 to each of the other members of the Committee elected at the Annual General Meeting held on 23 October 2017
- (b) The reasonable expenses incurred by members of the Committee for travelling in relation to their duties as members of the Committee and as approved by the Committee from time to time provided such expenses are supported by the production of invoices, receipts or other documentary evidence of such expenditure.
- (c) The reasonable cost of members of the Committee attending the Annual General Meeting and Trade Conference of Clubs NSW or other seminars, lectures, trade displays and other similar events as may be determined by the Committee from time to time.
- (d) The reasonable cost of members of the Committee attending other registered Clubs for the purpose of viewing and assessing the facilities of those clubs and methods of operation, provided such attendances are approved by the Committee as being necessary in the interests of the Club.
- (e) The provision of a suitably inscribed Club blazer and uniform for each member of the Committee.
- (f) Each member of the Committee is entitled to the use of a designated car parking space in the Club's car park.
- (g) The reasonable cost of a meal and refreshments for each member of the Committee immediately before, during or immediately after a Committee meeting.
- (h) The reasonable costs of each member of the Committee and their spouse/partner attending Dinners and other Club or Industry Functions where appropriate and required to represent the Club.
- (i) The reasonable costs of each Honorary Life Member and member of the Committee and their spouse/partner attending an Annual Dinner at the Club.

**MINUTES OF ANNUAL GENERAL MEETING HELD MONDAY 23rd OCTOBER 2017**

**MEETING OPENED: 7.00PM**

**PRESENT** 83 eligible members

**APOLOGIES** Jerry Nell (4) Bruce McDiarmid (10) Dianne Burns (83)

Moved Heather Pickering (11) and Seconded Helen Ritchie (11894) that apologies be accepted.

**MINUTES OF PREVIOUS AGM** Minutes of Previous Annual General Meeting presented.

Moved Paul Rowlett (14470) and Seconded Vince Weine (13625) that the minutes of the 2016 Annual General Meeting be accepted.

**BUSINESS ARISING** No Business Arising

**PRESIDENTS REPORT** President presented his report.

Moved Michelle Charles (7848) and Seconded Ron Mueller (2848) that the Presidents report be adopted.

**TREASURERS REPORT** Treasurer presented his report.

Moved Darcy Baker (3099) and Seconded Peter Leiner (1949) that the Treasurers report be adopted.

**AUDITORS REPORT & BALANCE SHEET** Moved Michelle Charles (7848) and Seconded Helen Ritchie (11894) that the Auditors Report be adopted.

**APPOINTMENT OF AUDITORS** Moved John Carr (3) and Seconded David Eddy (7) that Ian Brown be re-appointed Auditor for the 2017/2018 year.

**MINUTES OF ANNUAL GENERAL MEETING HELD MONDAY 23rd OCTOBER 2017**

**Special Resolutions**

Moved Darcy Baker (3099) and Seconded John Smith (4175) that

The Articles of Association of Illawarra Master Builders' Club Limited by amended by:

(a) **Deleting** the second paragraph of Article 28, being the paragraph immediately after the box containing the triennial rule, and in its place **inserting** the following new rule as Article 28(ai)

*"(ai) The offices of President, Senior Vice President, Junior Vice President and Honorary Treasurer shall be held by members of the Club who are or have been Master Builder members of the Master Builders Association of New South Wales Illawarra Division. Notwithstanding the provisions of Rule 20, this Rule should not be altered or repealed unless on the recommendation of the Committee made to a general meeting of the Club."*

Moved Michelle Charles (7848) and Seconded David Eddy (7)

That the Articles of Association of Illawarra Master Builders' Club Limited by amended by **deleting** the fifth sentence of Article 24 and in its place **inserting** the following:

*"The quorum for meetings of the Committee shall be four (4) members present."*

**Proposed Resolution**

Moved Darcy Baker (3099) and Seconded David Eddy (7) that:

Pursuant to the Registered Clubs Act the members hereby approve the following payments and benefits and agree that these payments and benefits are not available to members generally but only to those who are elected as members of the Committee of The Club and the other persons referred to below:

- (a) The payment of the sum of \$8000 to the Chairman of the Committee and the sum of \$800 to each of the other members of the Committee elected at the Annual General Meeting held on 17th October 2016
- (b) The reasonable expenses incurred by members of the Committee for travelling in relation to their duties as members of the Committee and as approved by the Committee from time to time provided such expenses are supported by the production of invoices, receipts or other documentary evidence of such expenditure.
- (c) The reasonable cost of members of the Committee attending the Annual General Meeting and Trade Conference of Clubs NSW or other seminars, lectures, trade displays and other similar events as may be determined by the Committee from time to time.

**MINUTES OF ANNUAL GENERAL MEETING HELD MONDAY 23rd OCTOBER 2017**

- (d) The reasonable cost of members of the Committee attending other registered Clubs for the purpose of viewing and assessing the facilities of those clubs and methods of operation, provided such attendances are approved by the Committee as being necessary in the interests of the Club.
- (e) The provision of a suitably inscribed Club blazer and uniform for each member of the Committee.
- (f) Each member of the Committee is entitled to the use of a designated car parking space in the Club's car park.
- (g) The reasonable cost of a meal and refreshments for each member of the Committee immediately before, during or immediately after a Committee meeting.
- (h) The reasonable costs of each member of the Committee and their spouse/partner attending Dinners and other Club or Industry Functions where appropriate and required to represent the Club.
- (i) The reasonable costs of each Honorary Life Member and member of the Committee and their spouse/partner attending an Annual Dinner at the Club.

**ELECTION OF OFFICERS**

Under the triennial rule three (3) positions are up for election from Group 2

Senior Vice President – John Carr elected unopposed  
Junior Vice President – Rik McCann elected unopposed  
General Committee– John Dowling elected unopposed

**GENERAL BUSINESS**

Bill Wilkins (10069) advised that Julianna's management was very poor. He noted that there were very long queues on busy nights and that children coming out of Julianna's were creating a problem in the coffee shop/stairs area. He felt we need to come up with a way to control the kids. Mr Bone advised that with the unveiling of the new plans for the Club this will alleviate this problem.

Roger Carr (2) thanked Paul Rowlett for his service to the Club whilst he was on the board the past two years.

Ron Mueller (2848) thanked Club Manager Richard Bone for re introducing the tipping competition for next year.

**MEETING CLOSED 7.20PM**

## **Presidents Report 2018**

It gives me great pleasure to present to you my Presidents report for 2018.

2018 has once again been a very successful year for your Club, posting a very pleasing profit of \$1,085,916.

We have managed to achieve this result after meeting and going beyond our Club Grants commitments by donating in excess of \$153,000 towards many local charities and sporting organizations. All of these beneficiaries can be found on the back page of this year's annual report.

I would like to thank all of the Clubs staff for contributing to this great result, in particular our Management team headed by General Manager Richard Bone.

Throughout this year the Club has lost two very highly respected and valuable employees, Jane Kennedy and Linda Bonham. Jane (who was our office manager) has now retired. Jane had over 45 years of loyal service to the Builders Club and Linda, who after over 21 of loyal service has decided to move completely away from the Club industry to take up the challenge in a completely different field. Together they gave the club over 66 years of dedicated and loyal service and we all wish you the best for what lies ahead.

This time last year I reported to you we were getting very close to submitting a DA with Council for our Club renovations, Carpark and improved Club access. I am pleased to report that the DA was submitted to Council in November last year.

Since then it has been a very stressful time for all involved. There has been an enormous amount of detail and consultation work going on behind the scenes and I would like to thank our General Manager Richard Bone for all the hard work he has put in over the last year so as to give the DA every opportunity to be approved.

At the time of writing this report we are still waiting on a determination from Council, however we are very confident this will be approved very soon.

If you recall last year in my Presidents report I mentioned that we sold 5 non-core properties which will go towards funding this development. The sale of 48a and 50 Kembla Street included a DA approved 7 level 19 unit apartment block. This development is now well under way and has caused some degree of disruption to our Kembla Street entry and exit.

On top of this disruption we have moved and upgraded our substation in preparation for our new development. Once again this work will be finalised very soon.

The next two years will see some major changes happening to The Builders Club and I ask that we all be patient because I can assure you all that the disruption and inconvenience that this will cause will be short lived and that the final result will make you all proud to be a member of our great Club.

**Brian Burns**

**President**

## **SPORTS REPORT 2018**

As your Chairperson for the Sports Committee I would like to thank the various teams and sports groups represented at our Club for their participation this year.

The Builders Club is a strong supporter of many organisations within the club plus we also facilitate sponsorship of various sporting groups outside the Club i.e. Wollongong Mustangs, UOW Football Club, The Illawarra District Rugby Union and the Rock Lobster Cricket Team.

We held our meetings on a quarterly basis on the 2nd Tuesday in December 2017, March 2018, June 2018, and September 2018.

Our Club supports the following groups:

74 Pistol Club represented by Darcy Baker

Bridge represented by Lisa Czubala

Football South Coast Woman's represented by Sandra Depers

Ladies golf represented by Dianne McKellar

Lawn Bowls represented by Warwick Booth

Men's Golf represented by Peter Young

Saturday Afternoon Mixed Carpet Bowl's represented by Kaye Calvert

Saturday Morning Bowls represented by Phillip Mortenson

Snooker & Billiards represented by Gary Fell

These sporting groups are represented by a group of hard working people and our thanks go out to them for the effort that they put in to keep things moving.

Most if not all sponsored teams attend to give The Builders Club a rundown of their past, current and future activities.

Lawn Bowls will be celebrating their 50th AGM and presentation this year with Ed Vormister getting Life Membership in 2017.

Ladies Golf celebrated their 40th Anniversary at their Xmas Party in 2017.

Saturday Morning Bowls celebrated their 50th Anniversary in August this year.

For Club members wanting to get involved in your nominated sport, go to The Builders web site and under the top heading of Services you will find Sports Clubs and contact details.

**Peter Leiner**

**Sports Committee Chairperson 2018**

**REPORT OF THE DIRECTORS YEAR ENDED 30 JUNE 2018**

**Directors**

The names of directors in office during the year or to the date of this report are:

Brian Burns	Builder	President & Director for 43 years
John Carr	Builder/Retired Valuer	Snr Vice President & Director 34 years
Rikki McCann	Builder	Jnr Vice President & Director for 2 years
Paul Burns	Builder	Treasurer & Director for 10 years
Heather Pickering	Clerk	Director for 5 years
Peter Leiner	Hospitality	Director for 3 years
John Dowling	Builder	Appointed 23.10.17
Chris Calderbank-Park	Builder	Retired 24.8.17
Paul Rowlatt	Manger	Retired 23.10.17

**Attendance Record of Meetings Held in the Past Year of Office**

There were 12 Board meetings held during the year and the personal attendance records of the Directors are set out below:

	<b>Eligible</b>	<b>Attended</b>
Brian Burns	12	12
John Carr	12	11
Paul Burns	12	11
Heather Pickering	12	9
Peter Leiner	12	10
Rikki McCann	12	10
John Dowling	9	9
Chris Calderbank-Park	2	0
Paul Rowlatt	3	2



## ILLAWARRA MASTER BUILDERS CLUB LIMITED

ABN 58 001 029 492

### Objectives

**Short term:** The objectives of Illawarra Master Builders Club Ltd are to maintain, and continually develop, a modern social and entertainment venue providing a high level of service consistent with the expectations of members, guests and visitors to the Club.

**Long term:** To maintain the ongoing financial viability of the Club and to continue to support sporting activities and provide financial and in-kind support to other community and welfare organisations.

### Strategy for achieving the objectives

The principal strategies of The Illawarra Master Builders Club Ltd include

- Offering a broad range of entertainment and social activity;
- Maintaining high levels of customer service;
- Providing a safe and rewarding working environment for Club staff;
- Pursuing new marketing opportunities; and
- Maximising return from property holdings

### Principal Activities

The Club has in the course of the financial year continued to carry on its normal activities as a Registered Club, and there has not been any significant change in the nature of these activities during the year, except that a number of non-core properties were sold during the year to finance future Club improvements.

### Performance measurement and key performance indicators

Performance is compared regularly against relevant industry and internal benchmarks to assess the performance of strategic initiatives, and to measure the effectiveness in achieving short and long term objectives.

### Contributions on winding up

The Club is a public company limited by guarantee, and in accordance with the club's constitution, the liability of members in the of the club being wound up would not exceed \$2 per member. The total amount that members of the company are liable to contribute if the company is wound up is \$24,744 based on 12,372 current members

### Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2018 has been received and a copy of the declaration is attached to this report.

Dated: 18 September 2018

Director: Brian Burns

**ILLAWARRA MASTER BUILDERS CLUB LIMITED**

ABN 58 001 029 492

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF THE ILLAWARRA MASTER BUILDERS CLUB LIMITED**

I declare that, to the best of my knowledge, during the year ended 30 June 2018 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.

Dated: 18 September 2018

IBW ACCOUNTING      IAN BROWN

Chartered Accountant

2 Hebron Avenue

Mt Pleasant NSW 2519

**DIRECTORS' DECLARATION YEAR ENDED 30 JUNE 2018**

**In the director's opinion:**

1. The attached financial statements and notes comply with the Corporations Act 2001, the Australian accounting Standards – Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. The attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2018 and performance for the financial year ended on that date; and
3. There are reasonable grounds to believe 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.

Dated: 18 September 2018

Director: Brian Burns

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ILLAWARRA MASTER BUILDERS CLUB LIMITED.**

**Report on the Financial Report**

I have audited the financial statements of the Illawarra Master Builders Club Limited being the director's declaration, statement of comprehensive income, statement of changes in equity, statement of financial position, statement of cash flows and notes for the financial year ended 30 June 2018.

**Directors Responsibility for the Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditors Responsibility**

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

**ILLAWARRA MASTER BUILDERS CLUB LIMITED**

ABN 58 001 029 492

**Independence**

In conducting my audit, I have complied with independence requirements of the Corporations Act 2001. I confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Illawarra Master Builders Club Limited would be in the same terms of provided to the directors at the date of this auditor's report.

**Auditor's Opinion**

In my opinion, the financial statements of the Illawarra Master Builders Club Limited is in accordance with the Corporations Act 2001, including:

- a) Giving a true and fair view of the Company's financial position as at 30 June 2018 and the performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

Dated: 19 September 2018

IBW ACCOUNTING      IAN BROWN

Chartered Accountant

2 Hebron Avenue

Mt Pleasant NSW 2519

**ILLAWARRA MASTER BUILDERS CLUB LIMITED**  
 ABN 58 001 029 492

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018**

	NOTE	2018	2017
Revenue	(2)	14,418,034	18,290,365
Bar, Catering and Retail Trading Expenses		(4,374,170)	(4,315,159)
Gaming Expenses		(4,105,309)	(4,025,557)
Other Human Resource Costs		(1,532,217)	(1,454,318)
Other Promotional Costs		(1,383,397)	(1,478,885)
Finance Costs		(3,645)	(16,453)
Other Expenses		(1,763,282)	(2,097,197)
Profit before Income Tax		1,256,014	4,902,796
Income Tax Expense	(3)	(170,098)	(762,800)
<b>Total Comprehensive Income for the Year</b>		<b>1,085,916</b>	<b>4,139,996</b>

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018**

	Retained Earnings	Asset Revaluation Reserve
Balance at 1 July 2016	14,404,022	9,692,113
Operating Profit for the Year	4,139,996	
Balance at 30 June 2017	18,544,018	9,692,113
Operating Profit for the Year	1,085,916	
Balance at 30 June 2018	<b>19,629,934</b>	<b>9,692,113</b>

The accompanying notes form part of these financial statements.

**ILLAWARRA MASTER BUILDERS CLUB LIMITED**  
ABN 58 001 029 492

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018**

<b>ASSETS</b>	<b>NOTE</b>	<b>2018</b>	<b>2017</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	(4)	8,413,830	4,048,620
Trade and Other Receivables	(5)	42,760	4,285,134
Inventories	(6)	158,938	176,507
Other Current Assets	(7)	183,982	183,191
<b>TOTAL CURRENT ASSETS</b>		<b>8,799,510</b>	<b>8,693,452</b>
<b>NON-CURRENT ASSETS</b>			
Property ,Plant & Equipment	(8)	22,092,514	21,778,686
Intangibles	(9)	207,411	207,411
<b>TOTAL NON-CURRENT ASSETS</b>		<b>22,299,925</b>	<b>21,986,097</b>
<b>TOTAL ASSETS</b>		<b>31,099,435</b>	<b>30,679,549</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other Payables	(10)	439,295	454,925
Financial Liabilities	(11)	320,559	354,697
Short Term provisions	(12)	634,205	1,204,831
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,394,059</b>	<b>2,014,453</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities	(11)	344,395	406,930
Long Term Provisions	(12)	38,934	22,035
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>383,329</b>	<b>428,965</b>
<b>TOTAL LIABILITIES</b>		<b>1,777,388</b>	<b>2,443,418</b>
<b>NET ASSETS</b>		<b>29,322,047</b>	<b>28,236,131</b>
<b>EQUITY</b>			
Asset Revaluation Reserve		9,692,113	9,692,113
Retained Earnings		19,629,934	18,544,018
<b>TOTAL EQUITY</b>		<b>29,322,047</b>	<b>28,236,131</b>

The accompanying notes form part of these financial statements.

**ILLAWARRA MASTER BUILDERS CLUB LIMITED**  
ABN 58 001 029 492

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Members and Visitors	14,072,353	13,825,225
Payments to Suppliers and Employees	(11,912,775)	(12,160,570)
Interest Received	156,486	29,286
Finance Costs	(3,601)	(16,453)
Income Tax Paid	(766,785)	-
<b>Net Cash Provided by Operating Activities</b>	<b>1,545,678</b>	<b>1,677,488</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(1,790,433)	(1,457,969)
Proceeds from Sale of Property, Plant & Equipment	4,706,637	3,171,571
<b>Net Cash Provided in Investing Activities</b>	<b>2,916,204</b>	<b>1,713,602</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	346,896	503,124
Repayment of Borrowings	(443,568)	(526,145)
<b>Net Cash used in Financing Activities</b>	<b>(96,672)</b>	<b>(23,021)</b>
Net Increase in Cash Held	4,365,210	3,368,069
Cash at the Beginning of the Financial Year	4,048,620	680,551
<b>Net Cash at the End of the Financial Year</b>	<b>8,413,830</b>	<b>4,048,620</b>

The accompanying notes form part of these financial statements.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES**

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

**New, revised or amending Accounting Standards and Interpretations adopted.**

The company has early adopted AASB 1053 "Application of Tiers of Australian Accounting Standards" and AASB 2010-2 'Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements". No other new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any impact of the financial performance or position of the company. The following Accounting Standards and Interpretations are most relevant to the company:

***AASB 1053 Application of Tiers of Australian Accounting Standards***

The company has early adopted AASB 1053 from 1 July 2012. This standard establishes a different financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements, being Tier 1 Australian Accounting Standards and Tier 2 Australian Accounting Standards - Reduced Disclosure Requirements. The company being classed as Tier 2 continues to apply the full recognition and measurement requirements of Australian Accounting Standards with substantially reduced disclosure in accordance with AASB 2010-2.

***AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements***

The company has early adopted AASB 2010-2 from 1 July 2012. These amendments make numerous modifications to a range of Australian Accounting Standards and Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities in preparing general purpose financial statements. The adoption of these amendments has significantly reduced the company's disclosure requirements.

**Basis of Preparation**

The financial statements are general purpose financial statements that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. These financial statements do not comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in the financial statements containing relevant and reliable information about transactions, events and conditions to which they apply.

Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

## ILLAWARRA MASTER BUILDERS CLUB LIMITED

ABN 58 001 029 492

The financial statements have 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.

### **(a) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

#### **Property**

Freehold land and buildings are measured on their fair value basis (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves direct in equity; all other decreases are charged to the income statement.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

#### **Plant and Equipment**

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

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 which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts

.

#### **Depreciation**

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

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Assets</b>	<b>Depreciation Rate %</b>
Buildings	2
Poker Machines	20 & 25
Plant and Equipment	7.5 to 20

**(b) Inventories**

Inventories consist mainly of bar supplies and promotional items and are valued at the lower of cost and net realisable value. Cost is determined on a first in, first out basis, and does not include any overhead expenses.

**(c) Employee Entitlements**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits 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.

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

**(d) Income Tax**

The Club pays income tax on income derived other than from members. Income tax expense for the year ended 30 June 2018 is detailed at Note 3.

**(e) Cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and deposits at call with the bank, net of bank overdraft.

**(f) Comparative Figures**

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

**(g) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST (except where stated). Receivables and payables in the statement of financial position are shown inclusive of GST.

**ILLAWARRA MASTER BUILDERS CLUB LIMITED**  
ABN 58 001 029 492

	<b>2018</b>	<b>2017</b>
<b>NOTE 2. REVENUE</b>		
Gaming	8,283,543	8,094,639
Bar, Catering and Retail Trading	4,883,134	4,634,359
Profit on Sale of Non Current Assets	178,767	4,463,142
Entertainment Income	413,727	558,606
Rent Received	156,486	192,625
Commissions	298,254	272,963
Other Income	47,705	44,745
Interest Received	156,418	29,286
	<b>14,418,034</b>	<b>18,290,365</b>

**NOTE 3. INCOME TAX**

Income tax expense has been calculated as follows:

Profit for the year before income tax	1,256,014	4,902,796
Less Profit on Sale of Non Current Assets	(178,767)	(4,463,142)
Less Profit Attributable to Members	(795,734)	(395,780)
Add Taxable Gain on Sale of Non Current Assets	322,535	3,280,265
	604,048	3,324,139
Less Income Tax Losses from previous years	-	(781,472)
Taxable Income	604,048	2,542,667
Income Tax @27.5% (30% 2017)	166,113	762,800
Income Tax for Previous Years	3,985	-
	<b>170,098</b>	<b>762,800</b>

**NOTE 4. CASH AND CASH EQUIVALENTS**

Cash at Bank and in Hand	334,450	426,860
Short-Term Bank deposits	8,079,380	3,621,760
	<b>8,413,830</b>	<b>4,048,620</b>

**NOTE 5. TRADE AND OTHER RECEIVABLES**

Trade Receivables	42,760	32,264
Other Debtors - Sale of Non-core Property	-	4,252,870
	<b>42,760</b>	<b>4,285,134</b>

The funds from the sale of non-core property were received in August 2017

**NOTE 6. INVENTORIES**

At Cost		
- Trading	127,988	138,497
- Prizes	30,950	38,010
	<b>158,938</b>	<b>176,507</b>

**ILLAWARRA MASTER BUILDERS CLUB LIMITED**  
ABN 58 001 029 492

	<b>2018</b>	<b>2017</b>
<b>NOTE 7. OTHER CURRENT ASSETS</b>		
Prepayments	183,982	183,191
<b>NOTE 8. PROPERTY, PLANT AND EQUIPMENT</b>		
Land at Directors Valuation - 2013	8,703,000	8,703,000
Buildings at Cost	2,498,782	1,536,714
Buildings at Directors Valuation - 2013	7,817,000	7,817,000
Strata Properties at Directors Valuation - 2013	1,225,000	1,500,000
	<b>11,540,782</b>	<b>10,853,714</b>
Less Accumulated Depreciation	(893,791)	(711,400)
Total Buildings	10,646,991	10,142,314
 Total Land and Buildings	 <b>19,349,991</b>	 <b>18,845,314</b>
Plant and Equipment at Cost	11,983,280	11,176,047
Less Accumulated Depreciation	(9,240,757)	(8,242,675)
	<b>2,742,523</b>	<b>2,933,372</b>
 Total Property, Plant and Equipment	 <b>22,092,514</b>	 <b>21,778,686</b>

Revaluation of land and buildings were carried out by the Directors in June 2013. The valuations were based on independent valuations of certain Club property, current land values supplied by the NSW Valuer-General and sale of property near to the Club. The valuations were made in accordance with a regular policy to revalue land and buildings.

**Reconciliations**

Reconciliations of the written down values at the beginning and end of the current financial year are set out below

	Land	Buildings	Plant, Equipment	Total
Balance at 1.7.17	8,703,000	10,142,314	2,933,372	21,778,686
Additions	-	962,068	828,365	1,790,433
Reductions	-	(275,000)	-	(275,000)
Depreciation Expense	-	(182,391)	(1,019,214)	(1,201,605)
 Carrying amount at 30.6.18	 <b>8,703,000</b>	 <b>10,646,991</b>	 <b>2,742,523</b>	 <b>22,092,514</b>

The reduction in the value of land and buildings was due to the sale of non-core property during the year.

**NOTE 9. INTANGIBLES**

Poker Machine Licenses Purchased	207,411	207,411
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**ILLAWARRA MASTER BUILDERS CLUB LIMITED**  
ABN 58 001 029 492

	<b>2018</b>	<b>2017</b>
<b>NOTE 10. TRADE AND OTHER PAYABLES</b>		
Current - Unsecured		
Trade Payables	110,256	179,113
Sundry Payables and Accrued Expenses	329,039	275,812
	<b>439,295</b>	<b>454,925</b>
<b>NOTE 11. FINANCIAL LIABILITIES</b>		
Current		
- Bank Loans Secured	-	41,500
- Bank Asset Loans Secured	-	100,267
- Other Loans	320,559	212,930
	<b>320,559</b>	<b>354,697</b>
Non-Current		
- Bank Loans Secured	-	-
- Bank Asset Loans Secured	-	2,149
- Other Loans	344,395	404,781
	<b>344,395</b>	<b>406,930</b>
Total Current and Non-Current Secured Liabilities		
- Bank Loans	-	143,916
The carrying amounts of non-current assets pledged as security are:		
First Mortgage Freehold Land and Buildings	18,124,991	17,770,073
Floating Charge Over Assets	3,967,523	4,008,613
Total Assets Pledged as Security	<b>22,092,514</b>	<b>21,778,686</b>

In respect of the Bank Loans, the bank holds first registered mortgages over certain property along with a floating charge over all the assets of the company.

**NOTE 12. PROVISIONS**

Current		
Income tax	166,113	762,800
Employee Entitlements	468,092	442,031
	<b>634,205</b>	<b>1,204,831</b>
Non-Current		
Employee Entitlements	38,934	22,035
	<b>38,934</b>	<b>22,035</b>

**NOTE 13. KEY MANAGEMENT PERSONNEL DISCLOSURES**

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

Aggregate Compensation	276,569	298,369
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## **DONATIONS AND COMMUNITY SUPPORT 2017/2018**

Illawarra Drug Awareness Group  
Wollongong Emergency Family Housing  
Community Cancer Link  
SCARF  
Recovery Camp  
Delta Society Australia  
Wollongong Mission Benevolent Service  
Endure for a cure  
Illawarra Live Steamers  
MBA Illawarra  
Russell Vale Golf Club  
Corrimal Rotary  
Rock Lobsters Cricket Club  
Australasian Order of Old Bastards  
Men of League Foundation  
Everyday Hero  
UOW Football Club  
Wollongong Mustangs  
Billiards Australia  
MS Foundation  
Rural Aid