



2020 Annual Report

ANNUAL GENERAL MEETING 2020

NOTICE is hereby given of a General Meeting of **THE ILLAWARRA MASTER BUILDERS' CLUB LIMITED** to be held on **Sunday 25 October** commencing at **9.30am** (**The Club will open at 9.00am only for those attending the AGM**) 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

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 21 October 2019
- (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
21st OCTOBER 2019**

MEETING OPENED: 7.00PM

PRESENT	59 eligible members
APOLOGIES	Bill Harris, Marcia Harris, Warwick Booth, Ian Hart and Helen Ritchie Moved Elaine Hart (9749) and Seconded Vince Weine (13625) that apologies be accepted.
MINUTES OF PREVIOUS AGM	Minutes of Previous Annual General Meeting presented. Moved Darcy Baker (3099) and Seconded Val Leiner (8391) that the minutes of the 2018 Annual General Meeting be accepted.
BUSINESS ARISING	No Business arising
PRESIDENTS REPORT	President presented his report. Moved Michelle Charles (7848) and Seconded David Eddy (7) that the Presidents report be adopted.
AUDITORS REPORT & BALANCE SHEET	Moved Val Leiner (8391) and Seconded Elaine Hart (9749) that the Auditors Report be adopted.
APPOINTMENT OF AUDITORS	Moved Darcy Baker (3099) and Seconded Michelle Charles (7848) that Ian Brown be re-appointed Auditor for the 2019/2020 year.

**MINUTES OF ANNUAL GENERAL MEETING HELD MONDAY 21st
OCTOBER 2019**

Proposed Resolution

Moved Elaine Hart (9749) and Seconded Vince Weine (13625)
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 \$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 22 October 2018
- (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 21st
OCTOBER 2019**

**ELECTION OF
OFFICERS**

Under the triennial rule two positions are up for election from Group 1

President – Brian Burns elected unopposed
General Committee – 2 nominations received for 1 position so a ballot will take place
Brian Dore
Peter Adlington

**APPOINTMENT OF
SCRUTINEERS**

Moved Vince Weine (13625) and Seconded Philip Ratcliffe (13588) that Michelle Charles (7848) and John Martino (3438) be appointed scrutineers

President instructed members to now open their ballot papers.

Moved Roger Carr (2) and Seconded Natalie McCann (131) that standing orders be put aside and that General Business be conducted until the results of the election were known.

GENERAL BUSINESS

Phillip Hine (3164) noted that he had seen a Committee member walking onto the construction site with sandals on. Mr Bone replied that the Committee were given a site tour each month and this was always conducted outside of construction hours.

**ELECTION OF
OFFICERS Cont..**

Chairman advised that the ballot results were completed and the results had come back as a draw as there was one invalid vote. Names were then placed in a "Hat" with member Tony Loveday (15756) volunteering to draw a name. The ballot was won by Brian Dore (1392).

Moved Darcy Baker (3099) and Seconded Ian Cook (9228) that the ballot papers be destroyed.

MEETING CLOSED 7.28PM

Presidents report 2020

Firstly, I would like to say that 2020 will go down in history as the most turbulent year the Club has ever faced, however I am delighted to say we are managing to get through it.

As you will recall earlier this year the country was devastated by bushfires which had a major impact on a lot of businesses and devastated a lot of communities. Our Club and Wollongong was fortunately not in the direct firing line of these fires however, it did have an impact on us with thick smoke in the air for days and weeks which kept a lot of people indoors. This forced a concerning decline in revenue for our Club. Just as we thought that 2020 couldn't get any worse, Covid-19 struck us, which on 23 March forced us to close the Club with the standing down of our entire workforce.

All this was happening as we were going through a major renovation. I must congratulate the team at New England constructions headed by Mark Waldoock and our Clubs General Manager Richard Bone for your dedication and commitment to the Club especially during the last six months that the club was shutdown.

This shutdown has enabled us to fast track our renovations and on 21 September we were in a position to re-open the Club.

I am sure you would all agree that the Renovations so far have exceeded expectations and it makes me very proud to serve as your president.

At the time of writing this report we have only 80 car spaces available. We know the current traffic flow arrangements are confusing and ask for your patience as work is continuing on our split-level car park. We hope to have the new car park finished sometime in November and when completed it will give us over 280 car spaces with a majority of this under cover.

We are also hopeful that our brand new Stonegrill Restaurant and cocktail lounge will also be completed in November.

Our New gaming rooms were designed pre Covid-19 with all our gaming machines to return to the floor, however with the physical distancing requirements and the spacing between Gaming machines imposed on us it has reduced our amount of machines on the floor quite significantly. We had plans for another food offering in the space that the old Bistro occupied, however It was decided to now turn this space into an additional gaming room which will allow us to have all our gaming machines back on the floor and all at the Physical distancing requirements.

Just last month we lost one of the Clubs greatest stalwarts Jerry Nell. Jerry was a Club legend, donating so much of his time to the Club from calling bingo to driving the Clubs Courtesy buggy. Jerry was a life members of the Club and served over 40 years on the Clubs board. We all extend our deepest sympathy to all of Jerrys family and particularly to his loving wife of 75 years Rosyln.

Finally, I would like to express my sincere condolences to all those that have also lost love ones this past year and wish those that are unwell a speedy recovery.

Brian Burns

President

REPORT OF THE DIRECTORS YEAR ENDED 30 JUNE 2020

Directors

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

Brian Burns	Builder	President & Director for 45 years
John Carr	Retired Valuer	Snr Vice President & Director 36 years
Rikki McCann	Builder	Jnr Vice President & Director for 4 years
Paul Burns	Builder	Treasurer & Director for 12 years
Peter Leiner	Hospitality	Director for 5 years
John Dowling	Builder	Director for 3 years
Brian Dore	Retired	Appointed 21.10.19
Heather Pickering	Clerk	Resigned 21.10.19

Attendance Record of Meetings Held in the Past Year of Office

There were 14 meetings held during the year and the personal attendance records of the Directors are set out below:

	<u>Eligible</u>	<u>Attended</u>
Brian Burns	10	10
John Carr	10	9
Paul Burns	10	9
Peter Leiner	10	9
Rikki McCann	10	7
John Dowling	10	9
Brian Dore	7	6
Heather Pickering	3	2

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 organization

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, except that Club's revenue was severely impacted when it closed from 23 March 2020 due to the Covid-19 trading restrictions imposed by the NSW government.

From 1 June 2020, Club's in NSW were permitted to commence restricted trading. The directors decided to keep the Club closed to expedite the completion of the building renovations. The renovations are due to finish in November 2020.

At the date of this report, the directors are unable to quantify the effect of Covid-19 restrictions on future trading activities of the Club.

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 \$25,204 based on 12,602 current members

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2019 has been received and a copy of the declaration is attached to this report.

Dated: 30 September 2020

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 MASTR
BUILDERS CLUB LIMITED**

I declare that, to the best of my knowledge, during the year ended 30 June 2020 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: 30 September 2020

IBW ACCOUNTING
Chartered Accountant

IAN BROWN

2 Hebron Avenue
Mt Pleasant NSW 2519

ILLAWARRA MASTER BUILDERS CLUB LIMITED

ABN 58 001 029 492

DIRECTORS' DECLARATION YEAR ENDED 30 JUNE 2020

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 2020 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: 30 September 2020

Director: Brian Burns

ILLAWARRA MASTER BUILDERS CLUB LIMITED

ABN 58 001 029 492

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 2020.

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

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 2020 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: 1 October 2020

IBW ACCOUNTINGIAN 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 2020

	NOTE	2020	2019
Revenue	(2)	9,576,290	14,532,556
Bar and Catering Expenses		(3,260,956)	(4,108,183)
Gaming Expenses		(2,902,153)	(4,013,246)
Other Human Resource Costs		(1,115,417)	(1,514,505)
Other Promotional Costs		(864,068)	(1,301,204)
Finance Costs		(8,049)	-
Other Expenses		(1,917,159)	(2,068,538)
Profit/(Loss) before Income Tax		(491,512)	1,526,880
Income Tax Expense	(4)	-	(182,968)
Total Comprehensive Income/(Loss) for the Year		(491,512)	1,343,912

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Retained Earnings	Asset Revaluation Reserve
Balance at 1 July 2018	19,629,934	9,692,113
Operating Profit for the Year	1,343,912	
Balance at 30 June 2019	20,973,846	9,692,113
Operating Profit/(Loss) for the Year	(491,512)	
Balance at 30 June 2020	20,482,334	9,692,113

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 2020

	NOTE	2020	2018
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	(5)	1,110,599	8,964,132
Trade and Other Receivables	(6)	238,151	182,712
Inventories	(7)	84,115	162,453
Other Current Assets	(8)	50,520	78,752
TOTAL CURRENT ASSETS		<u>1,483,385</u>	<u>9,388,049</u>
NON-CURRENT ASSETS			
Property ,Plant & Equipment	(9)	32,502,751	22,605,331
Intangibles	(10)	207,411	207,411
TOTAL NON-CURRENT ASSETS		<u>32,710,162</u>	<u>22,812,742</u>
TOTAL ASSETS		<u>34,193,547</u>	<u>32,200,791</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other Payables	(11)	794,878	531,611
Financial Liabilities	(12)	119,309	300,111
Short Term provisions	(13)	313,671	606,434
TOTAL CURRENT LIABILITIES		<u>1,227,858</u>	<u>1,438,156</u>
NON-CURRENT LIABILITIES			
Trade and other Payables	(11)	272,165	-
Financial Liabilities	(12)	2,421,210	44,281
Long Term Provisions	(13)	97,867	52,395
TOTAL NON-CURRENT LIABILITIES		<u>2,791,242</u>	<u>96,676</u>
TOTAL LIABILITIES		<u>4,019,100</u>	<u>1,534,832</u>
NET ASSETS		<u>30,174,447</u>	<u>30,665,959</u>
EQUITY			
Asset Revaluation Reserve		9,692,113	9,692,113
Retained Earnings		20,482,334	20,973,846
TOTAL EQUITY		<u>30,174,447</u>	<u>30,665,959</u>

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 2020

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Members and Visitors	9,500,357	13,913,263
Payments to Suppliers and Employees	(8,373,413)	(11,586,405)
Interest Received	20,494	164,876
Finance Costs	(8,049)	-
Income Tax Paid	<u>(180,698)</u>	<u>(184,409)</u>
Net Cash Provided by Operating Activities	(3) <u>958,691</u>	<u>2,307,325</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(11,008,351)	(2,273,631)
Proceeds from Sale of Property, Plant & Equipment	<u>-</u>	<u>837,170</u>
Net Cash Provided in Investing Activities	<u>(11,008,351)</u>	<u>(1,436,461)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	2,421,210	-
Repayment of Borrowings	<u>(225,083)</u>	<u>(320,562)</u>
Net Cash used in Financing Activities	<u>2,196,127</u>	<u>(320,562)</u>
Net Increase in Cash Held	(7,853,533)	550,302
Cash at the Beginning of the Financial Year	8,964,132	8,413,830
Net Cash at the End of the Financial Year	<u>1,110,599</u>	<u>8,964,132</u>

The accompanying notes form part of these financial statements.

ILLAWARRA MASTER BUILDERS CLUB LIMITED
ABN 58 001 029 492

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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.

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

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:

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

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(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 2020 is detailed at Note 4.

(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

	2020	2019
NOTE 2. REVENUE		
Gaming	5,471,754	8,599,678
Bar and Catering	3,037,451	4,648,961
Profit on Sale of Non Current Assets	-	314,465
Entertainment Income	233,636	333,617
Rent Received	59,606	112,028
Commissions	173,080	301,501
Other Income	43,496	57,430
Government Subsidies	536,773	-
Interest Received	20,494	164,876
	<u>9,576,290</u>	<u>14,532,556</u>

NOTE 3. RECONCILIATION OF NET CASH PROVIDED FROM OPERATIONS WITH PROFIT

Profit/(Loss)	(491,512)	1,343,912
<u>Non-Cash Flows in Profit</u>		
Depreciation	1,110,931	1,238,109
Profit on Sale of Non Current Assets	-	(314,465)
<u>Changes in Assets and Liabilities</u>		
Decrease/(Increase) in Receivables	(55,439)	(139,952)
Decrease/(Increase) in Inventories	78,338	(3,515)
Decrease/(Increase) in Other Current Assets	28,232	105,230
Increase/(Decrease) in Payables	535,432	92,316
Increases/(Decrease) in Provisions	(247,291)	(14,310)
Cash Flows from Operations	<u>958,691</u>	<u>2,307,325</u>

NOTE 4. INCOME TAX

Income tax expense has been calculated as follows:

Profit/(Loss) for the year before income tax	(491,512)	1,526,880
Less Profit on Sale of Non Current Assets	-	(314,465)
Less Profit Attributable to Members	287,534	(961,142)
Add Taxable Gain on Sale of Non Current Assets	-	414,065
Taxable Income/(Loss)	<u>(203,978)</u>	<u>665,338</u>
Income Tax @27.5%	<u>-</u>	<u>182,968</u>

NOTE 5. CASH AND CASH EQUIVALENTS

Cash at Bank and in Hand	1,110,599	605,431
Short-Term Bank deposits	-	8,358,701
	<u>1,110,599</u>	<u>8,964,132</u>

ILLAWARRA MASTER BUILDERS CLUB LIMITED
ABN 58 001 029 492

	2020	2019
NOTE 6. TRADE AND OTHER RECEIVABLES		
Trade Receivables	35,978	98,412
Other Receivables	202,173	-
Deposits	-	84,300
	<u>238,151</u>	<u>182,712</u>
NOTE 7. INVENTORIES		
At Cost		
- Trading	71,875	136,243
- Prizes	<u>12,240</u>	<u>26,210</u>
	<u>84,115</u>	<u>162,453</u>
NOTE 8. OTHER CURRENT ASSETS		
Borrowing Expenses	28,641	-
Prepayments	<u>21,879</u>	<u>78,752</u>
	<u>50,520</u>	<u>78,752</u>
NOTE 9. PROPERTY, PLANT AND EQUIPMENT		
Land at Directors Valuation - 2013	<u>8,703,000</u>	<u>8,703,000</u>
Buildings at Cost	14,897,421	4,139,635
Buildings at Directors Valuation - 2013	7,817,000	7,817,000
Strata Properties at Directors Valuation - 2013	<u>720,000</u>	<u>720,000</u>
	23,434,421	12,676,635
Less Accumulated Depreciation	<u>(1,239,449)</u>	<u>(1,073,247)</u>
Total Buildings	<u>22,194,972</u>	<u>11,603,388</u>
Total Land and Buildings	<u>30,897,972</u>	<u>20,306,388</u>
Plant and Equipment at Cost	12,848,918	12,598,353
Less Accumulated Depreciation	<u>(11,244,139)</u>	<u>(10,299,410)</u>
	<u>1,604,779</u>	<u>2,298,943</u>
Total Property, Plant and Equipment	<u>32,502,751</u>	<u>22,605,331</u>

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. A revaluation of land and buildings will be carried out on completion of the renovations.

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Reconciliations

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

	Land	Buildings	Plant and Equipment	Total
Balance at 1.7.19	8,703,000	11,603,388	2,298,943	22,605,331
Additions	-	10,757,786	250,565	11,008,351
Reductions				-
Depreciation Expense	-	(166,202)	(944,729)	(1,110,931)
Carrying amount at 30.6.20	<u>8,703,000</u>	<u>22,194,972</u>	<u>1,604,779</u>	<u>32,502,751</u>

NOTE 10. INTANGIBLES

	2020	2019
Poker Machine Licenses Purchased	<u>207,411</u>	<u>207,411</u>

NOTE 11. TRADE AND OTHER PAYABLES

Current - Unsecured

Trade Payables	551,898	211,055
Sundry Payables and Accrued Expenses	<u>242,980</u>	<u>320,556</u>
	<u>794,878</u>	<u>531,611</u>

Non-Current - Unsecured

Sundry Payables	<u>272,165</u>	<u>-</u>
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NOTE 12. FINANCIAL LIABILITIES

Current

- Other Loans	<u>119,309</u>	<u>300,111</u>
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Non-Current

- Secured Bank Loans	2,421,210	-
- Other Loans	<u>-</u>	<u>44,281</u>
	<u>2,421,210</u>	<u>44,281</u>

The bank holds first registered mortgages over all land and buildings along with a floating charge over all the assets of the company to cover bank loans, overdraft and corporate credit facilities.

The Commonwealth Bank of Australia (CBA) has provided a loan facility of \$12,000,000 to fund the building renovations. At the date of this report the amount of the undrawn facility was \$7.072 million

The loan will be interest only for 2 years and followed by principal and interest repayments for the rest of the term. The indicative interest rate is 3.45% at the date of this report.

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	2020	2019
The carrying amounts of non-current assets pledged as security are:		
First Mortgage Freehold Land and Buildings	30,897,972	20,306,388
Floating Charge Over Assets	<u>1,604,779</u>	<u>2,298,943</u>
Total Assets Pledged as Security	<u><u>32,502,751</u></u>	<u><u>22,605,331</u></u>

NOTE 13. PROVISIONS

Current

Income tax	-	164,672
Employee Entitlements	<u>313,671</u>	<u>441,762</u>
	<u><u>313,671</u></u>	<u><u>606,434</u></u>

Non-Current

Employee Entitlements	<u>97,867</u>	<u>52,395</u>
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NOTE 14. 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	<u>330,061</u>	<u>382,165</u>
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NOTE 15. CONTINGENT LIABILITIES

Estimates of material amounts of contingent liabilities not provided for in the accounts, arising from:

Bank Guarantee in favour of the TAB	5,000	5,000
Insurance Funding Loan	141,221	0

NOTE 16. CAPITAL COMMITMENTS

Capital expenditure commitments contracted for net of gst and and not provided for in the accounts.

Current

Building Renovations	6,864,181	15,483,380
Plant & Equipment	<u>390,528</u>	<u>63,000</u>
	<u><u>7,254,709</u></u>	<u><u>15,546,380</u></u>

The company expects to complete the building renovations in September 2020

NOTE 17. FINANCIAL INSTRUMENTS

Market Risk

Interest rate risk - The company is not exposed to any significant interest rate risk until the loan from the CBA is fully drawn down.

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NOTE 18. POKER MACHINE ENTITLEMENTS

The company currently owns 215 Poker machine entitlements. The value of these intangible assets in accordance with accounting standards, are not recorded in the statement of financial position except for poker machine entitlements purchased from other entities.

The current market value for each entitlement is uncertain although it is estimated by the Directors to be in the vicinity of \$25,000 each.

NOTE 19. COVID 19 AND RENOVATIONS

The impact of the closure of the Club during Covid 19 and the building renovations has been detailed in the report of the directors.