

**WEST WALLSEND WORKERS CLUB LIMITED**  
**ABN 84 001 052 651**

**REPORT OF DIRECTORS**

The Directors present their report for the year ended 30 June 2018 and report as follows: -

**1. DIRECTORS**

*The names of the Directors in office at the date of this report are:*

*N.H. Allen  
P. Dempsey  
H Baker  
T Cameron  
J. Doig  
G Wakeman  
D. Walker*

*Refer attached schedule "A" for details of Directors in office and attendances at Board and special meetings.*

**2. PRINCIPAL ACTIVITIES**

The principal activities of the Company during the financial year continued to be the operation of a Licensed Club. No significant change in the nature of these activities occurred during the year.

The **short and long term objectives** of the Board of Directors is to strive to provide its members with excellent service, great entertainment, affordable quality meals in a friendly, safe and modern atmosphere.

With the aid of industry based KPI's, the board will ensure management are vigilant in the monitoring of pricing, wages, expenses and internal systems. This will enable the Club to continue to provide the fore mentioned.

We will be proactive in providing new games of chance and beverages whilst continuing to foster the existing. We will ensure ongoing compliance with all regulations and legislations, thus minimising any ill consequence upon the entity.

3. The Net Profit of the Company for the financial year after providing for Income Tax and extraordinary items was \$6,041
4. A review of the operations of the Company during the financial year and the results of those operations indicate continued support and patronage by Club members in respect to the Club's Trading activities.
5. No significant change in the state of affairs of the Company occurred during the financial year.
6. No matters or circumstances have arisen since the end of the financial year, which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in the financial years subsequent to the financial year ended 30 June 2018.
7. The likely developments in the operations of the Company and the expected results of those operations in financial years subsequent to the financial year ended 30 June 2018 are dependent on Club members supporting the Club.

**WEST WALLSEND WORKERS CLUB LIMITED**  
**ABN 84 001 052 651**

8. Since the end of the financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts or received as the fixed salary of a full-time employee of the company) by reason of a contract made by the Company or by a related entity with the Director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest.
9. Environmental Regulations.  
The Club operations are subject to various environmental regulations under both Commonwealth and State legislation. The Directors are not aware of any breaches of the legislation during the financial year, which are material in nature.
10. During the financial year, the Company paid a premium for a Directors and Officers liability insurance policy, the insurance cover being for present, past and future Directors and Officers of the Company. This insurance insures Directors and Officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or Officer of the Company other than conduct involving a wilful breach of duty in relation to the Club.
11. The Auditors Independence Declaration for the year ended 30 June 2018 has been received and a copy has been included in the Annual Report.

Signed in accordance with a resolution of the Board of Directors:

Director: \_\_\_\_\_

Peter Dempsey

Director: \_\_\_\_\_

Harry Baker

Dated at West Wallsend  
This 28th day of August 2018

**WEST WALLSEND WORKERS CLUB LIMITED**  
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**SCHEDULE "A" TO ANNUAL DIRECTORS' REPORT**

**DETAILS OF DIRECTORS IN OFFICE AT THE DATE OF ANNUAL REPORT**

<b>NAME</b>	<b>QUALIFICATIONS/ OCCUPATION</b>	<b>EXPERIENCE</b>	<b>SPECIAL RESPONSIBILITY</b>	<b>ATTENDANCE AT BOARD MEETINGS</b>
ALLEN, Nelson Haydon	Retired	Director 1971 to date		12 out of 12
BAKER, Harry	Retired	Director 2015 to date	Vice President	11 out of 12
CAMERON, Terri Lee	Retired	Director 2009 to Date		10 out of 12
DEMPSEY, Peter	Retired	Director 1983-1991 1992 to date	President	11 out of 12
WALKER, David	Directional Driller	Director Nov 2016 to date		9 out of 12
DOIG, John	Retired	Director April 2017 to date	Junior Vice President	12 out of 12
WAKEMAN, Greg	Retired	Director 2008 to Date		7 out of 12*

*\*Three months leave of absence granted*

***Note on meeting attendances:***

There were 12 ordinary board meetings held during the year.

**WEST WALLSEND WORKERS CLUB LIMITED**  
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**INDEPENDENT AUDIT REPORT TO MEMBERS**

**OPINION**

In our opinion, the financial report of West Wallsend Workers 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 of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards' reduced disclosure requirements (including the Australian Accounting Interpretations) as described in Note 1 and the Corporations Regulations 2001.

**BASIS FOR OPINION**

We have conducted our 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 Reports section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of West Wallsend Workers Club Limited, would be in the same terms if given to the directors as at the time of this audit report.

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

**MATERIAL UNCERTAINTY REGARDING GOING CONCERN**

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of matters described in Note 1 (Going Concern) to the financial statements there is uncertainty as to whether the club will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

**DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORT**

Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and the Corporations Act 2001, and for such internal control as Directors determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, where due to fraud or error.

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

Those charged with governance are responsible for overseeing the company's financial reporting process.

**WEST WALLSEND WORKERS CLUB LIMITED**  
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**AUDITOR'S RESPONSIBILITY**

Our objectives are to obtain reasonable assurance that 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the Australian Auditing Standards, I exercise professional judgement and maintain profession 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.
- Obtaining an understanding of internal control relevant to the audit in order to design and audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the directors entity'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 a 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 our 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 those the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Reassurance Audit Services Pty Ltd  
Authorised Audit Company 441724

Mark Walmsley

Date 28 August 2018  
16 Dunbar Street  
STOCKTON NSW 2295

**WEST WALLSEND WORKERS CLUB LIMITED**  
**ABN 84 001 052 651**

**DIRECTORS DECLARATION**

The Directors of the Company declare that:-

1. The Financial Report, comprising the Income Statement, Balance Sheet, Statement of Changes to Equity and Cash Flow Statement, accompanying notes to the Financial Statements, and this Directors Declaration, are in accordance with the *Corporations Act 2001* and:
  - (a) give a true and fair view of the financial position of the Company as at 30 June 2018 and of the performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and
  - (b) comply with Accounting Standards in Australia and the Corporations Regulations 2001; and
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

PETER DEMPSEY  
DIRECTOR

Dated at West Wallsend  
This 28th day of August 2018

HARRY BAKER  
DIRECTOR

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of West Wallsend Workers Club Limited for the year ended 30 June 2018 I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the Corporations Act in relation to the audit
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit

Reassurance Audit Services Pty Ltd  
Authorised Audit Company 441724

Mark Walmsley

20 August 2018  
16 Dunbar Street  
STOCKTON NSW 2295

**WEST WALLSEND WORKERS CLUB LIMITED**  
**ABN 84 001 052 651**

**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE, 2018**

	<b><u>NOTE</u></b>	<b><u>2018</u></b> \$	<b><u>2017</u></b> \$
Revenue from Sale of Goods		636726	579347
Revenue from the Rendering of Services		1418695	1324996
Interest and Dividends Received		903	1395
<b>TOTAL REVENUE</b>	2	<u>2056324</u>	<u>1905738</u>
Costs of Goods Sold		307837	285477
Poker Machine Duty		41904	39182
Employee Wages		614833	599106
Employee On-Costs & Other Payments		123078	101313
Promotional & Marketing		323640	325161
Repairs & Maintenance		76107	70521
Depreciation & Loss on Disposal of Assets		185245	187122
Borrowing Costs		42558	46526
Other Expenses		335081	355104
<b>TOTAL EXPENDITURE</b>		<u>2050283</u>	<u>2003615</u>
Profit/(Loss) from Ordinary Activities before Related Income Tax Expense	3	6041	(97877)
Income Tax expense/(Benefit)	4	0	0
<b>Net Profit/(Loss) after Income Tax</b>		<u>6041</u>	<u>(97877)</u>

(To be read in conjunction with the accompanying notes)

**WEST WALLSEND WORKERS CLUB LIMITED**  
**ABN 84 001 052 651**

**BALANCE SHEET AS AT 30 JUNE, 2018**

	<b><u>NOTE</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b><u>CURRENT ASSETS</u></b>			
Cash and Cash Equivalents	5	45730	45009
Trade and other Receivables	6	12501	11166
Investments	7	55000	71478
Inventories	8	15989	16092
Other Current Assets	9	<u>47374</u>	<u>40462</u>
<b>Total Current Assets</b>		<u>176594</u>	<u>184207</u>
<b><u>NON-CURRENT ASSETS</u></b>			
Property, Plant & Equipment	10	1571846	1669657
Poker Machine Entitlements	11	<u>40000</u>	<u>40000</u>
<b>Total Non-Current Assets</b>		<u>1611846</u>	<u>1709657</u>
<b><u>TOTAL ASSETS</u></b>		<u>1788440</u>	<u>1893864</u>
<b><u>CURRENT LIABILITIES</u></b>			
Trade and Other Payables	12	132745	186015
Interest Bearing Liabilities	13	217247	240976
Short-Term Provisions	14	125898	121239
Other Short-Term Liabilities	15	<u>28302</u>	<u>20067</u>
<b>Total Current Liabilities</b>		<u>504192</u>	<u>568297</u>
<b><u>NON-CURRENT LIABILITIES</u></b>			
Interest Bearing Liabilities	13	407537	457646
Provisions	14	<u>19186</u>	<u>16436</u>
		<u>426723</u>	<u>474082</u>
<b><u>TOTAL LIABILITIES</u></b>		<u>930915</u>	<u>1042379</u>
<b><u>NET ASSETS</u></b>		<u>857525</u>	<u>851485</u>
<b><u>SHAREHOLDERS EQUITY</u></b>			
Reserves		-	-
Retained Profits		<u>857525</u>	<u>851485</u>
		<u>857565</u>	<u>851485</u>

(To be read in conjunction with the accompanying notes)



**WEST WALLSEND WORKERS CLUB LIMITED**  
**ABN 84 001 052 651**

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

	NOTE	<u>2018</u> \$	<u>2017</u> \$
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Receipts from Members and Others	22(b)	2054303	1918018
Payments to Suppliers and Employees		<u>-1876272</u>	<u>-1732112</u>
<b>Net Cash Provided by Operating Activities</b>		<u>178031</u>	<u>185906</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Payments for Property, Plant & Equipment		-90935	-262962
Proceeds from Sale of Property, Plant & Equipment		3500	14183
Payments for Investments		-95000	0
Proceeds from Investments on Maturity		<u>112381</u>	<u>18000</u>
<b>Net Outflow used in Investing Activities</b>		<u>-70054</u>	<u>-230779</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Repayments of Borrowing & Lease Payments		-108738	-144546
Proceeds from Borrowings		<u>0</u>	<u>190935</u>
<b>Net Cash Provided by Financing Activities</b>		<u>-108738</u>	<u>46389</u>
<b>Net Increase/(Decrease) in Cash Held</b>		-761	1516
Cash as at 1 July, 2017	22(a)	<u>-29277</u>	<u>-30793</u>
Cash as at 30 June, 2018		<u>-30038</u>	<u>-29277</u>

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

**Opening Balances 1 July 2017**

Accumulated Profits	851484	949361
Profit / (Loss) for the Year	6041	-97877
Asset Revaluation Reserve	<u>0</u>	<u>0</u>
<b>Closing balances 30 June 2018</b>	<u>857525</u>	<u>851484</u>

(To be read in conjunction with the accompanying notes)

**WEST WALLSEND WORKERS CLUB LIMITED**  
**ABN 84 001 052 651**

**NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**Basis of Preparation**

The accounting policies set out below have been consistently applied to all years presented.

*Reporting Basis and Conventions*

The financial report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

**Going concern**

The club has made a profit after consecutive losses and has a deficiency in working capital. Notwithstanding this, the financial report has been prepared on a going concern basis. Whilst the club had recorded losses it has generated positive cash flows from trading and the club's ability to continue as a going concern and realise its assets and discharge its liabilities in the normal course of business are dependent upon continued cash surpluses from trading and financial support from the club's creditors and lenders.

**Accounting Policies**

**a. Inventories**

Inventories are measured at the lower of cost and net realisable value.

**b. 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 building are shown at their cost, less depreciation on buildings and impairment losses.

**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 that will be received from the assets' employment and subsequent disposal.

**WEST WALLSEND WORKERS CLUB LIMITED**  
**ABN 84 001 052 651**

**NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES Cont'd**

The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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 company. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

**Depreciation**

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over their useful lives to the company commencing 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 rates used for each class of depreciable assets is calculated using the estimated useful life of the asset as follows.

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	20 to 50 years
Plant and equipment	3 to 25 years
Leased plant and equipment	3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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 included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**c. Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to the company, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease assets are depreciated on a diminishing value over the shorter of their estimated useful lives of the lease term.

**WEST WALLSEND WORKERS CLUB LIMITED**  
**ABN 84 001 052 651**

**NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES Cont'd**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**d. Financial Instruments**

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transactions costs related to instruments classified as at fair value through profit or loss are expensed to profit immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

**WEST WALLSEND WORKERS CLUB LIMITED**  
**ABN 84 001 052 651**

**NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES Cont'd**

Classification and Subsequent Measurement

- i. Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

- ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payment that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

- iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

- iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

- v. Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised costs using the effective interest rate method.

**WEST WALLSEND WORKERS CLUB LIMITED**  
**ABN 84 001 052 651**

**NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES Cont'd**

**e. Impairment of Assets**

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

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**f. Employee Benefits**

*Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

*Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made of services provided by employees up to the reporting date.

**g. Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

**h. Cash and Cash Equivalents**

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

**i. Revenue**

Revenue from sale of goods is recognised upon delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

**WEST WALLSEND WORKERS CLUB LIMITED**  
**ABN 84 001 052 651**

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

**NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES Cont'd**

**j. 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 Tax Office. In these circumstances, the GST is recognisable as part of the cost of acquisition of the asset or as part of an item of the expense. Receivable and payables in the balance sheet are shown inclusive of GST.

**k. Comparative Figures**

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

**l. Critical Accounting Estimates and Judgements**

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

*Key Estimates – Impairment*

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. When an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

**m. Income Tax**

Income tax payable is calculated in accordance with the provisions of the Income Tax Assessment Act dealing with the Registered Clubs and Associations.

Deferred Tax Assets and Liabilities are recognised for deductible and temporary differences where considered material. Deferred tax assets in respect of unused tax losses are only recognised to the extent it is probable that a taxable profit will be available against which deductible temporary differences and carried forward tax losses can be utilised if material.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised, or the liability settled, based on the tax rates (and tax law) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

**WEST WALLSEND WORKERS CLUB LIMITED**  
**ABN 84 001 052 651**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2018**

	<u>2018</u>	<u>2017</u>
	\$	\$
<b><u>NOTE 2 – REVENUE FROM ORDINARY ACTIVITIES</u></b>		
Revenue from Sale of Goods	636726	579347
Revenue from Rendering of Services	1418695	1324996
<b>Other Revenue</b>		
Interest Received	903	1395
	<u>2056324</u>	<u>1905738</u>

**NOTE 3 - OPERATING PROFIT**

(a) The following items were credited as Revenue in determining the Operating Profit.

Interest Received	903	1395
	<u>903</u>	<u>1395</u>

(b) The following items were charged as Expenses in determining the Operating Profit.

Depreciation and Amortisation – Property, Plant & Equipment	178655	176704
Provision – Annual & Sick Leave	52275	41311
Provision – Long Service Leave	9381	8540
Loss on Sale of Fixed Asset	9558	10418
	<u>236973</u>	<u>236973</u>

**NOTE 4 – INCOME TAX**

(a) ***Income Tax Expense***

The aggregate amount of tax attributable to the financial year differs to the amount calculated on the operating profit as follows:

Operating Profit/(Loss) before Income Tax	6041	-97877
Abnormal Item before Income Tax	0	0
Operating Profit before Income Tax	<u>6041</u>	<u>-97877</u>
Prima facie Income Tax	0	0
Apportionment Adjustment for Member Income & Expenses	0	0
Operating Profit before Income Tax	<u>6041</u>	<u>-97877</u>
Tax Effect of Timing Differences Provision for Income Tax	<u>0</u>	<u>0</u>



**WEST WALLSEND WORKERS CLUB LIMITED**  
**ABN 84 001 052 651**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

(b) ***Future Income Tax Benefits Not Taken into Account***

The Future Income Tax Benefit which has not been recognized as an asset will only be obtained if:

- (i) the Company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realized;
- (ii) the Company continues to comply with the conditions for deductibility imposed by law; and
- (iii) no change in the tax legislation adversely affect the Club realising the benefit.

The Future Income Tax Benefit available to the Company as at 30 June, 2018 is \$NIL, (2017 ~ \$NIL)

**NOTE 5 – CASH**

***Current***

	<b><u>2018</u></b>	<b><u>2018</u></b>
	\$	\$
Cash on Hand - Change	45000	45000
Cash at Bank	730	9
	45730	40009

**NOTE 6 – RECEIVABLES**

Other Debtors	12501	11166
	12501	11166

**NOTE 7 – INVESTMENTS**

ANZ Bank	55000	71478
	55000	71478

**NOTE 8 – INVENTORIES**

Trading (at cost)	15989	16092
	15989	16092

**NOTE 9 – OTHER**

Deposits	20	20
Prepayments	44056	36102
Accrued Interest	0	0
Borrowing Costs	3298	4340
	47374	40462

**NOTE 10 – PROPERTY, PLANT & EQUIPMENT**

Land and Buildings (at cost)	2110126	2110126
Provision for Depreciation	-898367	-849930
	1211759	1260196
Plant and Equipment (at cost)	1624056	1578442
Provision for Depreciation	-1263969	-1168981
	360087	409461
Property, Plant and Equipment at Written Down Book Value	1571846	1669657

**WEST WALLSEND WORKERS CLUB LIMITED**  
**ABN 84 001 052 651**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 Cont'd**

	<u>2018</u>	<u>2017</u>
	\$	\$
<b>Reconciliations</b>		
<b><i>Land and Buildings</i></b>		
Carrying amount at beginning of year	1260196	1256604
Additions	0	52565
Disposals	0	0
Depreciation	-48437	-48973
Carrying amount at end of year	1211759	1260196
<b><i>Plant and Equipment</i></b>		
Carrying amount at beginning of year	409461	351396
Additions	90944	210397
Disposals	-10100	-24599
Depreciation	-130218	-127733
	360087	409461
	1669657	1669657

**Asset Revaluations**

The Freehold Land and Buildings were independently valued as 24 April 2009 by Nick Costa (Reg Valuer Cert No 3324) of Skelton Valuers.

The Club Land and Buildings was valued at \$2,010,000. This increase in value has not been booked.

**Core & Non Core Property**

As required by the registered clubs act 1976, all clubs are required to specify core and non core property of the club. As at 30 June 2018 the entire balance shown in land and buildings is core property.

**Note 11 – POKER MACHINE ENTITLEMENTS**

In the month of August 2008, the Club purchased a block of poker machine entitlements for \$44,000 (including GST) from Karuah Golf Club.

A market value of these poker machine entitlements could not be established at 30 June 2018.

**NOTE 12 - PAYABLES**

***Current***

Trade Creditors & Accruals	132745	186015
	132745	186015

**NOTE 13– FINANCIAL LIABILITIES**

***Current***

Bank Overdraft	70979	68559
Loan – ANZ Bank	77268	76181
Loan – Capital Finance	39451	44530
Loan – Central Credit & redemption System	24757	45978
Visa Card Liability	4791	5728
	217246	240976

***Non-Current***

Loan ANZ	407537	457646
Lease Liability – Capital Finance	0	0
	407537	457646

The ANZ loan is secured by a first mortgage over the club's land and buildings.

**WEST WALLSEND WORKERS CLUB LIMITED**  
**ABN 84 001 052 651**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 Cont'd**

<b><u>NOTE 14 - PROVISIONS</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b><i>Current</i></b>	<b>\$</b>	<b>\$</b>
Employee Entitlements		
- Annual & Sick Leave	50511	45755
- Long Service Leave	75387	75484
Income Tax	0	0
Provision for Community Development & Support Payments	0	0
	<u>125898</u>	<u>121239</u>
<b><i>Non-Current</i></b>		
Employee Entitlements		
- Long Service Leave	19186	16436
	<u>19186</u>	<u>16436</u>
<b><u>NOTE 15 – OTHER</u></b>		
<b><i>Current</i></b>		
Income in Advance	2231	2012
GST Liability	26071	18055
	<u>28302</u>	<u>20067</u>
<b><u>NOTE 16– LEASING COMMITMENTS</u></b>		
<b><i>Finance Lease Commitments Payable</i></b>		
Not longer than 1 year	0	0
Longer than 1 year but not longer than 2 years	0	0
Longer than 2 years but not longer than 5 years	0	0
Longer than 5 years	0	0
Minimum Lease Payment	<u>0</u>	<u>0</u>
<b>Total Lease Liability</b>	<u>0</u>	<u>0</u>
<b><u>NOTE 17 – AUDITORS REMUNERATION</u></b>		
(a) Auditing	0	2984
	<u>0</u>	<u>2984</u>

**NOTE 18 – MEMBERS GUARANTEE**

The Company is limited by guarantee. If the Company is wound up, the articles of association state that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligation of the Company. At 30 June, 2018 the number of members was 2006 (30 June, 2017 ~ 1839)

**WEST WALLSEND WORKERS CLUB LIMITED**  
**ABN 84 001 052 651**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 Cont'd**

**NOTE 19 – RELATED PARTIES**

***Directors***

The names of each person holding the position of Director of West Wallsend Workers Club Limited during the financial year are as follows:

N.H. Allen	D Walker	H Baker
G. Wakeman	T. Cameron	
P. Dempsey	J. Doig	

**NOTE 20- DIRECTORS REMUNERATION**

The number of Directors of the Company whose income from the Company falls within the following:-

	<b><u>2018</u></b>	<b><u>2017</u></b>
	\$	\$
\$0 - \$9,999	9	9

Total remuneration received or due and receivable by all Directors of the Company:-

	<b><u>2018</u></b>	<b><u>2017</u></b>
	\$	\$
	2000	2000

**NOTE 21 FINANCIAL RISK MANAGEMENT**

**a) Financial Risk Management**

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

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

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

The company does not have any derivative instruments as at 30 June 2018.

**WEST WALLSEND WORKERS CLUB LIMITED**  
**ABN 84 001 052 651**

**NOTE 21 FINANCIAL RISK MANAGEMENT cont'd**

Financial Risk exposures and management.

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

i. Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. For further details on interest rate risk refer to Note 20b.

ii. Foreign currency risk

The company is not exposed to fluctuations in foreign currencies.

iii. Liquidity risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

The company's policy is to ensure no more than 30% of borrowing should mature in any 12 month period.

iv. Credit risk

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

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

Credit risk is managed and reviewed regularly by the Board of Directors. It arises from exposures to customers as well as through deposits with financial institutions.

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

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

The trade receivables balances at 30 June 2018 and 30 June 2017 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

v. Price risk

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

**WEST WALLSEND WORKERS CLUB LIMITED**  
**ABN 84 001 052 651**

**NOTE 21 FINANCIAL RISK MANAGEMENT cont'd**

**b) Financial Instruments Composition and Maturity analysis**

The table below reflects the undiscounted contractual settlement terms for financial instruments of fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	<b>Within Year</b>		<b>1-5 years</b>		<b>Over 5 Years</b>		<b>Total</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Financial Assets</b>								
Cash and cash equivalents	45730	45009	-	-	-	-	45730	45009
Short Term Investments	55000	71478	-	-	-	-	55000	71478
Loans and receivables	12501	11165	-	-	-	-	12501	11165
	<b>Within Year</b>		<b>1-5 years</b>		<b>Over 5 Years</b>		<b>Total</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Financial Liabilities</b>								
Bank overdrafts	75770	74286	-	-	-	-	75770	76988
Bank loan	77268	76181	407537	457646	0	0	484805	533827
Payables	121272	183650	-	-	-	-	121272	183650
Other loans	64208	90283	-	-	-	-	64208	90283

**c. Net Fair Values**

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

**WEST WALLSEND WORKERS CLUB LIMITED**  
**ABN 84 001 052 651**

**NOTE 21 FINANCIAL RISK MANAGEMENT cont'd**

**vi Sensitivity Analysis**

Interest rate risk

The company has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks

Interest Rate Sensitivity Analysis:

At 30 June 2018, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	<u>2018</u> \$	<u>2017</u> \$
Change in Profit		
- increase in interest rate by 2%	(12656)	(15088)
- Decrease in interest rate by 2%	12656	15088
Change in Equity		
- Increase in interest rate by 2%	(12656)	(15088)
- Decrease in interest rate by 2%	12656	15088

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged. The company has no exposure to fluctuations in foreign currency.

**NOTE 22 – NOTES TO THE CASH FLOW STATEMENT**

**(a) Reconciliation of Cash**

For the purpose of this Statement of Cash Flows, Cash includes cash on hand, cash at bank and at call deposits with bank or financial institutions.

*Cash at end of the year is shown in the Balance Sheet as:-*

	<u>2018</u> \$	<u>2017</u> \$
Cash on Hand	45000	45000
Cash at Bank (Trading)	--67224	-68559
Cash at Bank (TAB, Keno & E*Trade)	-3024	9
Visa Card Liability	-4790	-5727
	<u>-30038</u>	<u>-29277</u>

**WEST WALLSEND WORKERS CLUB LIMITED**  
**ABN 84 001 052 651**

**NOTE 22 – NOTES TO THE CASH FLOW STATEMENT cont'd**

<b>(b)</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>Reconciliation of Cash Flows from Operations with Operating Profit after Income Tax.</b>	<b>\$</b>	<b>\$</b>
Operating Profit/(Loss) after Income Tax	6041	-97877
<b>Non-Cash Flows in Operating Profit</b>		
Amortisation of borrowing Costs	1042	780
Depreciation	178655	176705
Charges to Provisions	7409	-2553
Interest Received – Investments	-903	-1396
Loss on Disposal of Property, Plant & Equipment	6590	10416
Interest & Fee Paid on Loans	33417	33078
<b>Changes in Assets and Liabilities</b>		
(Increase)/Decrease in other Debtors	-1335	-4927
(Increase)/Decrease in Prepayments	-7952	1980
(Increase)/Decrease in Accrued Interest	0	0
Increase/(Decrease) in Inventory	102	5654
(Increase)/Decrease in Borrowing Costs	0	-5121
Increase/(Decrease) in Trade Creditors & Accruals	-53269	50564
Increase/(Decrease) in Income in Advance	218	-47
Increase/(Decrease) in GST Liability	8016	18650
	<u>178031</u>	<u>185906</u>

**NOTE 23 – COMPANY DETAILS**

The registered office of the company is:

West Wallsend Workers Club Ltd  
53 Carrington Street  
WEST WALLSEND NSW 2286

The Principal place of business is:

53 Carrington Street  
WEST WALLSEND NSW 2286