

Financial Report

Muswellbrook & District Workers Club Ltd

ABN 55 001 052 526

For the year ended 30 June 2017

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President's Report

Muswellbrook & District Workers Club Ltd For the year ended 30 June 2017

President's Report

Members again I have the pleasure to thank you all for your support over the last year. As our General Manager's Report will show, we have had a very good year. This is due to you, our members.

As for the financials, I will leave them to the auditors as I am sure Tracey Lawler will explain all.

Stage one is very close to a start. The Development Application is done as of now, and we are looking for a December start.

Catering this year has made a good profit. With our refurbishments, we will have a coffee shop in the foyer and the side of the building will open up to allow extra seats. An updated kitchen will make for better service. All new toilets will also be installed with many more improvements - too many to mention in this short report. Our aim is that Muswellbrook & District Workers Club will have the best restaurant in town!

I would like the staff to know it is always a pleasure to work with them and I appreciate all the help they give me and my fellow Board members.

Thank you to the Sub Club's (eg Men's Shed, Junior Touch Football, Snooker Club and Schooner Club) as you too contribute to the welfare of the Club and its members.

2017 has been another great year. The members have been a huge part of the success and we couldn't have done it without you. Almost \$720,000.00 in profit is great.

Without our General Manager, Scott Bailey's vision and hard work, the Club would not be what it is today. Well done Scott! Tahlae Ball has assisted ably in the office. Thank you Tahlae.

The Board has worked very diligently over the last year. I am sure we have made a step forward and I don't think the members would mind if we gave ourselves a little pat on the back. Thank you to the Board for all your help. It is appreciated.

In conclusion, I think the Muswellbrook & District Workers Club is heading for a bright future and I invite you to enjoy the journey with us.

Les Gleeson

President

General Manager's Report

Muswellbrook & District Workers Club Ltd For the year ended 30 June 2017

General Manager's Report

Once again I have the truly great pleasure of declaring a healthy profit of **\$718,320** for the 2016 – 2017 financial year. As always, this result could not have been achieved without the support of the members. Therefore, I would like to take this opportunity to thank you all for your continued support. This Club is a community and it is a community effort that enables us to be the success we have once again become.

The past twelve months has been somewhat frustrating. Our much-vaunted refurbishment and renovation program has been constantly frustrated but I am happy to announce that the DA is now approved and by the time of the Annual General Meeting we should soon be in receipt of the construction certificate and all things being well we will start construction prior to Christmas. Our frustrations were further compounded when almost three weeks after lodging the deposit and signing the contract for what we all know as the Valley Hotel Motel site the vendors took the property off the market. Further confounding our efforts to develop the Club in the best possible way.

This past year has been one of consolidation. At 1 July 2016, our long-term bank debt stood at \$900,783.20 now one year later it stands at \$389,502.28. Retiring half a million dollars in debt in a calendar year is something we can be rightly proud of. At the time of writing we had further reduced this amount to \$270,000.00 leaving the solar and air-conditioning lease our last big-ticket item.

As always it would be remiss of me not to thank our President Les Gleeson and the Board of Directors. We have had another successful year but setting priorities for the Club's capital commitments is an in depth and complex task and the Board's effort in coming to terms with these matters and outlining, then detailing, a path forward is no small feat. Deciding the best way to achieve diversified growth while ensuring a sustainable business model has consumed much of the Board's time and effort. The Board has been tireless in ensuring the best possible outcome for the members and I thank them whole heartedly for the work they have put in.

The restaurant went from making a \$29,000.00 profit in 2016 to making a \$119,000.00 profit in 2017. This is no small way to the effort of the entire catering team including our three chefs, along with our apprentice and the front of house crew which combined to ensure this excellent result. Sales improved by \$227,000.00 with costs in both labour and goods being well contained. I look forward to great things from this department with the introduction of 48 extra seats, an all-day food offering and a much-improved bar area. When stage one of our refurbishment program is complete our food and beverage offering will set a new standard that I'm sure all will enjoy.

The bar saw a small increase in sales. This is most pleasing as this year saw the introduction of a far more generous happy hour. The bar hosts a variety of Club activities and sometimes we see worlds collide. Bingo shares with raffles who share with Muswellbrook's Got Idol Talent who share with Housie who shares with the snooker club who share with the TAB. All of these activities happen in our bar and it's sometimes hard just to come in and enjoy a quiet drink! Stage two of our redevelopment should go some way to fixing these issues.

In conclusion, I have to say it is truly satisfying to declare another stellar year's operating result. I can't stress enough how important it is to have the strong and vibrant membership community, a great team of staff and a supportive Board of Director's. Together we will take the Club to even greater heights.

Scott Bailey

General Manager

Directors' Report

Muswellbrook & District Workers Club Ltd For the year ended 30 June 2017

Your directors present this report on the company for the financial year ended 30 June 2017.

Directors

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

Name	Appointed	Qualifications	Board Service
Dorothy Cooper	27-Mar-2014	Retired	3 years
Barry French	26-Feb-2014	Retired	3 years
Leslie Gleeson	20-Oct-2013	Retired	4 years
Neville Heron	20-Oct-2015	Retired	4 years
Timothy Pike	30-Aug-2015	Retired	2 years
Dennis Sheehan	17-Dec-2013	Retired	4 years
Brian Young	17-Dec-2013	Retired	4 years

Operating Results

The profit after providing for income tax for the financial year amounted to \$718,320.

Principal Activities

The principal activities of the company during the financial year were to provide comfortable recreational facilities and amenities for members and guests.

The vision of the Board and Management is for the company to be a successful business providing excellent member facilities, having diversified income streams providing good return on investment and to foster good relationships to support and promote the general community, and local sporting bodies.

The company's operations improvements during the year included the continued upgrade of our Poker Machine installation, the expansion of our loyalty program, the introduction of an extra day of bingo, the upgrade of our audio visual system, the replacement of ageing kitchen equipment, the enclosure of the gaming room, the expansion of outdoor heating in the smoking area, the increase in size to our outdoor gaming area.

Club Refurbishment, Renovation and Refit

On 26th July 2017, the Club received an approved DA from the Muswellbrook Shire Council allowing us to undertake our small extension and the Club refurbishment program. The next step is to meet some extra traffic management requirements and ensure our storm water system meets Council standards. Pending meeting these added requirements we will secure a Construction Certificate and this will allow work to commence. The expenses shown relate to the preparation of the multiple reports required to obtain a DA and have been funded out of the Club's Cashflow. The cost of the works will be assessed by a Quantity Surveyor before any construction contract is signed, with the works being funded by an in principal approved Westpac loan.

Short Term and Long Term Objectives

The company's short-term objectives are to maintain a high standard of customer service, and to provide modern and comfortable facilities for its Members and Guests.

The Company is to continue to financially support local charities, sporting and community groups, and provide meeting and function rooms for community groups to utilise.

The Company's short-term objectives are also to:

1. Continue to improve customer service;
2. Continue to improve the profitability of the bar's gross profit;
3. Continue to improve the profitability of catering's gross profit;
4. Continue to improve the profitability of the Club's gaming operations;
5. Continue to improve the profitability of the Company;
6. Continue to build upon the united approach between Board and Management;
7. Refurbish key areas of the Club as funds permit;
8. Diversify income streams to future proof the business.

The Company's long-term objectives are:

1. To ensure the company remains profitable by monitoring earnings before interest, tax, depreciation and amortisation;
2. Benchmarking all areas of the company against industry standards;
3. Ensuring gaming installation is upgraded and maintained to achieve optimal performance;
4. To ensure the company is always in a financial position to manage debt
5. Ensure the company continues, through budgeting, to operate a positive cashflow
6. Develop the company's facilities within income and budgeting constraints
7. Continue with the Corporate Governance strategies developed by the company and required by legislation
8. Implement appropriate Corporate Governance procedures to safeguard assets

Strategies

To achieve its stated objectives, the company has adopted the following strategies:

- Improve the profitability of the company through diversified investments
- Continue to review the performance of each trading department of the company
- Continue to monitor the financial benefits of each company promotion introduced
- Continue to improve customer service
- Review all existing contracts of the company to achieve the best financial outcome
- improve the facilities of the company
- continue the existing united approach of the Board and Management of the Company

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

The company undertakes a number of systems to measure its performance including:

- Monthly Performance Report
- EBITDA earnings before interest, tax, depreciation, amortisation 2017: \$1,354,639 (2016: \$1,405,422)
- Monthly board review of various relevant management reports

Members Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstanding obligations of the company. At 30 June 2017, the total amount that members of the company are liable to contribute if the company is wound up is \$31,885 (2016: \$27,620).

Meetings of Directors

During the financial year, 15 meetings of directors were held. Attendances by each of committee member during the year were as follows:

Name	Monthly Board Meeting: Number eligible to attend	Monthly Board Meeting: Number attended	Special Meetings: Number eligible to attend	Special Meetings Number attended
Dorothy Cooper	12	10	3	2
Barry French	12	11	3	3
Leslie Gleeson	12	11	3	3
Neville Heron	12	10	3	3
Timothy Pike	12	11	3	2
Dennis Sheehan	12	12	3	3
Brian Young	12	12	3	3

Auditor's Independence Declaration

The Auditor's Independence Declaration for the year ended 30 June 2017 has been received and can be found on the following page.

Signed in accordance with a resolution of the Members of the Board of Directors' on:



Leslie Gleeson (President)

Date 24/8/2017



Davies, Thompson & Wright

ABN 70 340 182 044

CHARTERED ACCOUNTANTS

MUSWELLBROOK & DISTRICT WORKERS CLUB LIMITED

A.B.N. 55 001 052 526

**AUDITORS INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF MUSWELLBROOK & DISTRICT WORKERS CLUB LIMITED**

PARTNERS

Timothy G. Looby	B.Ec. Dip.Fin.Man. C.A.
Tracey L. Lawler	B.Comm. C.A.
Scott P. Collins	B.Comm./B.Econ. C.A

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We declare that, to the best of our knowledge and beliefs, during the year ended 30 June 2017 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Davies, Thompson & Wright
Chartered Accountants

Tracey L. Lawler
Partner
21 August 2017
Muswellbrook



Liability limited by a scheme
approved under Professional
Standards Legislation

Statement of Profit or Loss and Other Comprehensive Income

Muswellbrook & District Workers Club Ltd For the year ended 30 June 2017

	NOTES	2017	2016
Revenue And Other Income			
Revenue from Sales	2	5,409,670.46	5,125,819.17
Less Direct Costs:			
Cost Of Goods Sold		819,957.36	760,807.82
Wages & Salaries (Direct)		866,197.42	761,334.92
Other Direct Costs		853,554.97	808,342.37
Total Less Direct Costs:		2,539,709.75	2,330,485.11
Gross Profit on Trading		2,869,960.71	2,795,334.06
Other Income			
Rental Profit / (Loss)	2	127,789.53	127,964.56
Other Income	2	269,509.12	273,864.01
Total Other Income		397,298.65	401,828.57
Less Administration & Operating Expenses			
Depreciation and Amortisation Expense	3	553,275.28	420,628.31
Electricity		105,156.30	90,850.60
Wages & Salaries (Indirect)		646,299.46	597,518.73
Entertainment & Amenities		151,953.55	145,902.82
Interest Costs	3	83,044.12	110,850.99
Members Promotions		334,371.80	260,895.38
Postage, Stationary & Advertising		104,756.39	76,863.25
Repairs & Maintenance		163,540.75	129,937.14
Other Expenses		406,542.00	489,772.86
Total Less Administration & Operating Expenses		2,548,939.65	2,323,220.08
PROFIT / (LOSS) BEFORE INCOME TAX		718,319.71	873,942.55
Income Tax Expense		-	-
PROFIT / (LOSS) AFTER INCOME TAX		718,319.71	873,942.55
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		718,319.71	873,942.55

The accompanying notes form part of these financial statements.

Statement of Financial Position

Muswellbrook & District Workers Club Ltd

As at 30 June 2017

	NOTES	30 JUN 2017	30 JUN 2016
Assets			
Current Assets			
Cash and Cash Equivalents	5	373,535.29	389,156.07
Trade and Other Receivables	6	71,368.82	27,032.18
Inventories	7	45,566.23	40,458.12
Other Current Assets	8	85,718.93	19,727.11
Total Current Assets		576,189.27	476,373.48
Non-Current Assets			
Property, Plant and Equipment	9	4,012,701.71	4,145,583.14
Investment Property	10	1,005,216.03	1,005,216.03
Intangibles	11	396,035.18	397,284.18
Capital Works in Progress	12	82,353.99	-
Total Non-Current Assets		5,496,306.91	5,548,083.35
Total Assets		6,072,496.18	6,024,456.83
Liabilities			
Current Liabilities			
Trade and Other Payables	13	374,225.30	443,344.35
Borrowings	14	401,373.44	341,709.37
Total Current Liabilities		775,598.74	785,053.72
Non-Current Liabilities			
Trade and Other Payables	13	44,186.97	43,804.68
Borrowings	14	1,143,188.32	1,804,395.99
Total Non-Current Liabilities		1,187,375.29	1,848,200.67
Total Liabilities		1,962,974.03	2,633,254.39
Net Assets		4,109,522.15	3,391,202.44
Equity			
Retained Profits		4,109,522.15	3,391,202.44
Total Equity		4,109,522.15	3,391,202.44

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

Muswellbrook & District Workers Club Ltd

For the year ended 30 June 2017

	NOTES	2017	2016
Retained Earnings after Appropriation			
Retained Earnings At Start of Year		3,391,202.44	2,517,259.89
Total Comprehensive Income Attributable to Members of the Company for the Year		718,319.71	873,942.55
Retained Earnings After Appropriation		4,109,522.15	3,391,202.44

The accompanying notes form part of these financial statements.

Statement of Cash Flows

Muswellbrook & District Workers Club Ltd
For the year ended 30 June 2017

	NOTES	2017	2016
Cash flows from Operating Activities			
Receipts from customers		5,762,118.71	5,653,730.49
Payments to suppliers and employees		(4,570,562.23)	(4,360,295.02)
Interest received		513.76	881.14
Finance costs		(83,044.12)	(110,850.99)
Total Cash flows from Operating Activities		1,109,026.12	1,183,464.62
Cash flows from Investing Activities			
Proceeds from sales of property, plant and equipment		62,167.04	168,532.18
Payment for property, plant and equipment		(513,830.82)	(1,520,256.26)
Total Cash flows from Investing Activities		(451,663.78)	(1,351,724.08)
Cash flows from Financing Activities			
Proceeds from borrowing		125,444.26	681,433.87
Repayment of borrowings		(798,427.38)	(483,143.16)
Total Cash flows from Financing Activities		(672,983.12)	198,290.71
Net increase/(decrease) in cash held		(15,620.78)	30,031.25
Cash Balances			
Opening cash balance		389,156.07	359,124.82
Closing cash balance	5	373,535.29	389,156.07
Movement in cash		(15,620.78)	22,573.47

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

Muswellbrook & District Workers Club Ltd For the year ended 30 June 2017

The financial statements are for Muswellbrook & District Workers Club Limited as an individual company, incorporated and domiciled in Australia. Muswellbrook & District Workers Club Limited is a company limited by guarantee.

1. Statement of Significant Accounting Policies

Basis of Preparation

Muswellbrook & District Workers Club Limited applies the Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

Revenue

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

Poker machine revenue is stated net of payouts.

Interest is brought to account on an accruals basis for bank term deposits.

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

Inventories

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

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses. In the event the carrying amount of property, plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Depreciation

The depreciable amount of all fixed assets, including capitalised leased assets, but excluding freehold land, is depreciated over the asset's useful life to the company commencing from the time the asset is available for use. Buildings are depreciated on a straight line basis.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant & Equipment	7.5% to 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Leases

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

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Financial Instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial instruments are measured at cost.

Financial assets are de-recognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are either discharged, cancelled or expired.

Impairment of Assets

At the end of each reporting period, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such 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 in the profit or loss.

Where it is not possible to estimate the recoverable amount of an assets class, the company estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Impairment testing is performed annually for intangible assets with indefinite lives.

Employee Benefits

Provision is made in respect of the company's liability for annual leave and long service leave at balance date. Long service leave is accrued in respect of all employees with more than 5 years' service with the company.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

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.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position. Receivables and payables are stated inclusive of the amount of GST receivable or payable. Cash flows are presented in the statement of cash flows exclusive of GST.

Income Tax

Income tax expense, shown on the statement of comprehensive income, is calculated in accordance with the Waratah's formula. It is calculated on an annual basis, with a corresponding provision for income tax payable raised.

Intangibles

Intangibles are initially recognised at cost. Borrowing expenses are amortised on a straight line basis over five years. Poker machine licences are initially recognised at the purchase price paid. Poker machine licences are not amortised as they do not have a finite useful life. Intangibles are tested annually for impairment and carried at cost less accumulated impairment losses where applicable.

Comparative Figures

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

Trade and Other Payables

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

Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements 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.

Investment Property

Investment property, comprising rental properties is held to generate long-term rental yields. All tenant leases are on an arm's length basis. Investment property is carried at cost, fair value or director's valuation. Where property is actively marketed for sale it is classified as a current asset.

	NOTES	2017	2016
2. Revenue and Other Income			
Revenue			
Bar		832,429.23	812,452.32
Poker Machine		3,379,338.48	3,339,091.08
Restaurant		1,197,902.75	974,275.77
Total Revenue		5,409,670.46	5,125,819.17
Profit/(Loss) From Rental Activities		127,789.53	127,964.56
Other Income			
Interest Received		513.76	881.14

These notes form part of the financial statements.

Profit on Disposal of Property, Plant & Equipment	51,092.98	81,872.07
Commissions	143,256.20	154,241.41
Members Subscriptions	13,273.83	13,514.00
Other Revenue	61,372.35	23,355.39
Total Other Income	269,509.12	273,864.01
Total Revenue and Other Income	5,806,969.11	5,527,647.74
	NOTES	2017 2016

3. Profit For The Year

Expenses		
Contributions to Regulated Superannuation Funds	118,777.00	105,484.77
Depreciation & Amortisation	553,275.28	420,628.31
Finance Costs		
Interest Paid	83,044.12	110,850.99
Total Finance Costs	83,044.12	110,850.99
Significant Revenue / Expense items		
Loss on Sale of Assets	4,371.00	8,500.04
Profit on sale on Non Current Asset	(51,092.98)	(81,872.07)
Total Significant Revenue / Expense items	(46,721.98)	(73,372.03)
	NOTES	2017 2016

4. Income Tax Expense

Income Tax Expense	-	-
Total Income Tax Expense	-	-
	NOTES	2017 2016

5. Cash & Cash Equivalents

Bank Accounts		
Westpac - ATM Account	30,280.00	24,820.00
Westpac - Cash Reserve	61,525.20	61,100.58
Westpac - Keno Account	4,293.93	4,293.88
Westpac - Tab Account	165.53	174.20
Westpac - Working Account	183,250.63	208,747.41
Total Bank Accounts	279,515.29	299,136.07
Other Cash Items		
Cash on hand	94,020.00	90,020.00
Total Other Cash Items	94,020.00	90,020.00
Total Cash & Cash Equivalents	373,535.29	389,156.07
	NOTES	2017 2016

6. Receivables

Trade Debtors	34,507.58	22,264.50
Other Recievables	36,861.24	4,767.68
Total Receivables	71,368.82	27,032.18

These notes form part of the financial statements.

	NOTES	2017	2016
7. Inventory (at cost)			
Stock on Hand - bar		31,015.40	29,958.12
Stock on Hand - bingo		676.70	-
Stock on Hand - catering		13,874.13	10,500.00
Total Inventory (at cost)		45,566.23	40,458.12

	NOTES	2017	2016
8. Other Current Assets			
Prepayments		85,718.93	19,727.11
Total Other Current Assets		85,718.93	19,727.11

	NOTES	2017	2016
9. Property Plant and Equipment			

Club House & Land

Club House & Land		3,584,120.81	3,584,120.81
Less: Accumulated Depreciation		(1,039,826.41)	(918,973.66)
Total Club House & Land		2,544,294.40	2,665,147.15

Fittings 29 Sydney Street

Fittings - 29 Sydney Street		11,323.82	11,323.82
Less Accumulated Depreciation on Fitting - 29 Sydney street		(3,155.93)	(2,248.38)
Total Fittings 29 Sydney Street		8,167.89	9,075.44

Plant & Equipment

Plant & equipment at cost		1,095,641.57	1,112,234.05
Less Accumulated Depreciation on Plant & Equip		(763,750.49)	(748,793.50)
Total Plant & Equipment		331,891.08	363,440.55

Furniture & Fittings

Furniture & Fittings at cost		392,458.93	391,151.16
Less Accumulated Depreciation on furniture & fitting		(328,462.85)	(314,958.19)
Total Furniture & Fittings		63,996.08	76,192.97

Poker Machines

Poker Machines at cost		1,887,204.51	1,632,814.04
Less Accumulated Depreciation on Poker machine		(1,081,326.39)	(866,964.22)
Total Poker Machines		805,878.12	765,849.82

Crockery & Cutlery

Crockery & Cutlery		29,422.95	29,422.95
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Improvements

Improvement - Outdoor Smoking Area		290,464.60	290,464.60
Less Accumulated Depreciation on Outdoor Area		(61,413.41)	(54,010.34)
Total Improvements		229,051.19	236,454.26

Total Property Plant and Equipment		4,012,701.71	4,145,583.14
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These notes form part of the financial statements.

Movement in Carrying Amounts

Movements in the carrying amount for each applicable class of plant and equipment between the beginning and end of the current financial year:

	Clubhouse & Improvements	Plant & Equipment	Furniture & Fittings
Opening balance	2,901,601.41	363,440.55	76,192.97
Additions at cost	-	95,968.43	15,023.57
Disposals	-	(3,702.42)	(9,464.85)
Depreciation	(128,255.82)	(123,815.48)	(17,755.61)
Closing balance	2,773,345.59	331,891.08	63,996.08

	Poker Machines	Poker Machine Licences	Crockery
Opening balance	765,849.29	389,932.43	29,422.95
Additions at cost	320,474.00	-	-
Disposals	(2,262.32)	-	-
Depreciation	(278,182.85)	-	-
Closing balance	805,878.12	389,932.43	29,422.95

Core and Non-Core Property

In accordance with provisions under Section 41J(2) of the Registered Clubs Act the directors have classified the following assets as core property of the company:

Club land and buildings:

- 15-17 Sydney Street, Muswellbrook NSW 2333
- 29-31 Sydney Street, Muswellbrook NSW 2333
- 7 Sydney Street, Muswellbrook NSW 2333

	NOTES	2017	2016
10. Investment Properties			
29-31 Sydney Street Building		812,512.00	812,512.00
7 Sydney Street at cost		192,704.03	192,704.03
Total Investment Properties		1,005,216.03	1,005,216.03
	NOTES	2017	2016

11. Intangible Assets

Poker Machine Licences at Cost	389,932.43	389,932.43
Borrowing Costs	6,102.75	7,351.75
Total Intangible Assets	396,035.18	397,284.18

These notes form part of the financial statements.

	NOTES	2017	2016
12. Capital Works in Progress			
Renovation Works (DA18/2017)		82,353.99	-
Total Capital Works in Progress		82,353.99	-

	NOTES	2017	2016
13. Trade and Other Payables			
Current			
Trade Creditors		131,001.94	205,744.73
Accrued Expenses & Other Creditors		66,915.41	69,465.83
Members' Subscriptions in Advance		10,240.15	7,867.61
GST Payable		29,745.56	24,182.44
Deferred Revenue		23,640.26	25,390.26
Employee Entitlements			
Provision - Annual Leave		88,067.51	64,633.67
Provision LSL - current		11,420.56	27,319.37
Members Unclaimed Points		9,251.39	13,736.03
Unclaimed Monies		3,942.52	5,004.41
Total Current		374,225.30	443,344.35
Non Current			
Members' Subscriptions in Advance		15,822.05	16,572.19
Provision LSL - non-current		28,364.92	27,232.49
Total Non Current		44,186.97	43,804.68

	NOTES	2017	2016
14. Financial Liabilities			
Current			
Westpac			
- Bank Bill Loan		122,700.00	122,700.00
- Equipment Finance Loan		162,209.76	162,209.76
Total Westpac		284,909.76	284,909.76
Insurance Loan		52,320.65	-
Poker Machine & Equipment Loans		64,143.03	56,799.61
Total Current		401,373.44	341,709.37
Non Current			
Westpac			
Bank Bill Loan		266,224.54	777,452.33
Equipment Financial Loan		837,267.46	947,478.82
Total Westpac		1,103,492.00	1,724,931.15
Poker Machine & Equipment Loans		39,696.32	79,464.84
Total Non Current		1,143,188.32	1,804,395.99
Total Financial Liabilities		1,544,561.76	2,146,105.36

These notes form part of the financial statements.

The Westpac loans are secured over a General Service Agreement over all existing and future assets and undertakings of the company including:

- Mortgage in favour of property located at 15-27 Sydney Street, Muswellbrook NSW 2333;
- Mortgage in favour of property located at 29-31 Sydney Street, Muswellbrook NSW 2333; and
- Mortgage in favour of property located at 7 Sydney Street, Muswellbrook NSW 2333.

15. Provisions

The measurement and recognition criteria relating to employee benefits have been included in Note 1 of this report.

	2017	2016
Provision for Long Service Leave:		
Balance at the beginning of the year	54,551.86	36,155.00
Additional Provisions raised during year	13,006.19	18,396.86
Amounts Used	(27,772.57)	-
Balance at End of Year	39,785.48	54,551.86
Analysis of Long Service Leave		
Current Trade & Other Payables	11,420.56	27,319.37
Non-Current Trade & Other Payables	28,364.92	27,232.49
	39,785.48	54,551.86

16. Related Party Transactions

The directors of the company are not paid for their services. Directors, in the course of carrying out their duties at meetings and on other occasions, are provided with meals and liquor on a complimentary basis. Each director is provided with an honorarium of \$2,500 as approved by the members at the prior year's annual general meeting. These are allocated monthly over the term of their directorship for the year. All other transactions with directors are at normal commercial terms and conditions no more favourable than available to other parties.

No relatives of directors were employed by the company. There were no transactions between related parties.

Key Management Personnel Compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of that company is considered Key Management Personnel.

All remuneration paid to executives is valued at the cost to the company and expensed.

In the course of carrying out their duties, as Secretary Manager, they are provided with meals and liquor on a complimentary basis.

	2017	2016
Key Management Personnel Compensation	\$132,320.87	\$118,182.22

Compensation is paid in accordance with the employment contract and includes salary, superannuation and meal benefits.

17. Financial Risk Management

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

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 Financial Instruments: Recognition And Measurement as detailed in the accounting policies to these financial statements are as follows:

	NOTES	2017	2016
Financial Assets & Liabilities			
Financial Assets			
Cash and Cash Equivalents	5	373,535.29	389,156.07
Loans and Receivables	6	71,368.82	27,032.18
Total Financial Assets		444,904.11	416,188.25
Financial Liabilities			
Trade & Other Payables	13	418,412.27	487,149.03
Borrowings	14	1,544,561.76	2,146,105.36
Total Financial Liabilities		1,962,974.03	2,633,254.39

18. Operating Commitments

There were no operating lease commitments at balance date.

19. Events After the Reporting Period

The Directors are not aware of any significant events since the end of the reporting period, other than the Club made an offer to purchase the land and buildings associated with the Valley Hotel Motel at 33 Sydney Street, Muswellbrook. The offer was accepted, the contract was signed by the Club and the deposit lodged. On Tuesday 8th August 2017, the hotel brokers handling the sale advised us that the vendors had withdrawn the property from the market. We have now cancelled the deposit cheque.

20. Company Details

The registered office and principal place of business of the company is:

15 Sydney Street

MUSWELLBROOK NSW 2333

21. Members' Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstanding obligations of the company. At 30 June 2017, the number of members was 6,377 (2016: 5,524).

Directors Declaration

Muswellbrook & District Workers Club Ltd For the year ended 30 June 2017

In accordance with a resolution of the directors of Muswellbrook & District Workers Club Limited, the directors of the company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:

(a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and

(b) give a true and fair view of the financial position of the company as at 30 June 2017 and of its performance for the year on that date.

2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Leslie Gleeson, President

Date: 24/8/2017



Davies, Thompson & Wright

ABN 70 340 182 044

CHARTERED ACCOUNTANTS

PARTNERS

Timothy G. Looby	B.Ec. Dip.Fin.Man. C.A.
Tracey L. Lawler	B.Comm. C.A.
Scott P. Collins	B.Comm./B.Econ. C.A.

60 Brook Street
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MUSWELLBROOK & DISTRICT WORKERS CLUB LIMITED

A.B.N. 55 001 052 526

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Muswellbrook & District Workers Club Limited, which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Muswellbrook & District Workers Club Limited is in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2017 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled out 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 Muswellbrook & District Workers Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Liability limited by a scheme
approved under Professional
Standards Legislation



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MUSWELLBROOK & DISTRICT WORKERS CLUB LIMITED

A.B.N. 55 001 052 526

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in so doing, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 our opinion.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MUSWELLBROOK & DISTRICT WORKERS CLUB LIMITED

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The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based in the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Davies, Thompson & Wright
Chartered Accountants

Tracey L. Lawler
Partner
24 August 2017
Muswellbrook



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Davies, Thompson & Wright

ABN 70 340 182 044

CHARTERED ACCOUNTANTS

PARTNERS

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MUSWELLBROOK & DISTRICT WORKERS CLUB LIMITED
A.B.N. 55 001 052 526**

Scope

Our Independent Auditors' Report on the financial statements of Muswellbrook District Workers Club Limited which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes to and forming part of the accounts for the year ended on that date, presented on the preceding pages, does not relate to the additional financial information presented hereinafter.

This additional information presented in the following report, namely the Profit and Loss Statement has been prepared from the accounting records of the company and we do not express an opinion thereon.

Davies, Thompson & Wright
Chartered Accountants

Tracey L. Lawler

Partner

24 August 2017

Muswellbrook



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Profit & Loss

Muswellbrook & District Workers Club Ltd For the 12 months ended 30 June 2017

	Jun-17	Jun-16
Income		
Bar	\$832,429.23	\$812,452.32
Bingo	\$91,595.45	\$80,292.22
Catering	\$1,197,902.75	\$974,275.77
Gaming	\$3,462,039.57	\$3,428,224.51
Raffles	\$188,837.48	\$176,199.09
Total Income	\$5,772,804.48	\$5,471,443.91
Less Cost of Sales		
Bar	\$396,114.34	\$431,149.31
Bingo	\$122,195.50	\$95,804.02
Catering	\$440,323.51	\$343,576.31
Gaming	\$1,211,517.37	\$1,101,664.43
Inter Club	\$9,139.45	\$12,842.06
Raffles	\$162,085.68	\$146,175.24
Total Cost of Sales	\$2,341,375.85	\$2,131,211.37
Gross Profit	\$3,431,428.63	\$3,340,232.54
Plus Other Income		
Sundry	\$318,097.61	\$311,912.59
Total Other Income	\$318,097.61	\$311,912.59
Less Operating Expenses		
Depreciation	\$552,026.28	\$419,246.06
Donations (not CDSE applicable)	\$865.45	\$30,109.09
Electricity	\$105,156.30	\$90,850.60
Gas and Heating	\$3,119.90	\$9,695.83
Insurance	\$52,261.97	\$52,676.93
Interest Expense	\$83,044.12	\$110,850.99
Members Entertainment	\$116,319.31	\$113,476.14
Rental Properties	\$11,695.44	\$13,729.50
Repairs & Maintenance	\$163,540.75	\$129,937.14
Training	\$13,990.81	\$13,272.28
Uniforms	\$6,024.52	\$7,218.01
Other overhead expenses		
Accounting - Auditors Fees	\$12,897.00	\$24,250.00
Accounting - Bookkeeping	\$18,950.85	\$18,705.40
Advertising & Marketing	\$67,921.69	\$48,707.80
AGM Expenses	\$2,535.64	\$9,551.37
Bad debts	\$0.00	\$3,831.17
Bank Charges	\$14,584.41	\$14,135.36
Borrowing Costs Expense	\$1,249.00	\$1,382.25
Bus Expenses	\$645.81	\$455.10
Cleaning	\$48,524.84	\$56,973.79
Consulting	\$0.00	\$3,000.00

This detailed statement has been prepared to provide additional financial information for Members only and does not form part of the audited financial report.

Profit & Loss

Muswellbrook & District Workers Club Ltd
For the 12 months ended 30 June 2017

	Jun-17	Jun-16
Freight	\$42.25	\$229.89
Freight - Bar	\$654.37	\$473.12
General Expenses	\$546.13	\$4,834.45
General Expenses - Admin	\$2,243.64	\$1,738.50
General Expenses - Bar	\$0.00	\$38.18
General Expenses - Catering	\$160.91	\$0.00
Lease fee	\$0.00	\$150.00
Legal expenses	\$872.08	\$716.67
Loss on Sale of Assets	\$4,371.00	\$8,500.04
Mortality Fund	\$281.82	\$636.37
Office Expenses	\$6,884.77	\$4,158.07
Photocopier Exp - RICOH	\$6,014.13	\$10,998.87
Postage, Printing & Stationery	\$23,094.70	\$28,155.45
Rates	\$3,636.57	\$0.00
Rates - Land	\$10,591.91	\$11,733.89
Rates - Water	\$6,561.62	\$8,616.00
Security	\$19,496.25	\$17,848.25
Security - Monitoring	\$4,555.70	\$9,159.83
Social Media & Web Development	\$13,740.00	\$0.00
Staff Discounts - Meals	\$12,874.08	\$12,283.32
Subscriptions & Licences	\$36,696.44	\$31,856.37
Telephone & Internet	\$19,083.83	\$15,649.24
Travel - National	\$750.88	\$0.00
Total Other overhead expenses	\$340,462.32	\$348,768.75
Wages & Salaries		
Annual Leave Accrued Expense	\$23,433.84	\$15,625.67
Long Service leave	-\$13,006.19	\$18,396.86
Payroll Tax	\$36,978.83	\$24,271.20
Superannuation	\$118,777.00	\$105,484.77
Wages	\$1,393,719.88	\$1,253,368.88
Workers Compansation - direct	\$0.00	\$20,539.08
Workers Compensation - A	\$22,796.00	\$684.80
Total Wages & Salaries	\$1,582,699.36	\$1,438,371.26
Total Operating Expenses	\$3,031,206.53	\$2,778,202.58
Net Profit	\$718,319.71	\$873,942.55

This detailed statement has been prepared to provide additional financial information for Members only and does not form part of the audited financial report.