ANNUAL GENERAL MEETING 2015

NOTICE is hereby given of a General Meeting of THE ILLAWARRA MASTER BUILDERS’ CLUB LIMITED to be held on Monday 19 October 2015 commencing at 7.00pm at the premises of the Club, Church Street, Wollongong, New South Wales

Agenda

1. Present
2. Apologies
3. Minutes of previous annual meeting to be received
4. Business arising from minutes
5. Adoption of minutes
6. Presidents report
7. Treasurers report
8. Auditors report and financial statements
9. Appointment of auditors
10. Election of Officers
   a. President
   b. Senior Vice President
   c. Junior Vice President
   d. Treasurer
   e. Committee
11. General Business

NOTICE OF PROPOSED ORDINARY RESOLUTION

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

(a) The payment of the sum of $8000 to the Chairman of the Committee and the sum of $800 to each of the other members of the Committee elected at the Annual General Meeting held on 20th October 2014
(b) The reasonable expenses incurred by members of the Committee for travelling in relation to their duties as members of the Committee and as approved by the Committee from time to time provided such expenses are supported by the production of invoices, receipts or other documentary evidence of such expenditure.
(c) The reasonable cost of members of the Committee attending the Annual General Meeting and Trade Conference of Clubs NSW or other seminars, lectures, trade displays and other similar events as may be determined by the Committee from time to time.
(d) The reasonable cost of members of the Committee attending other registered Clubs for the purpose of viewing and assessing the facilities of those clubs and methods of operation, provided such attendances are approved by the Committee as being necessary in the interests of the Club.
(e) The provision of a suitably inscribed Club blazer and uniform for each member of the Committee.
(f) Each member of the Committee is entitled to the use of a designated car parking space in the Club’s car park.
(g) The reasonable cost of a meal and refreshments for each member of the Committee immediately before, during or immediately after a Committee meeting.
(h) The reasonable costs of each member of the Committee and their spouse/partner attending Dinners and other Club or Industry Functions where appropriate and required to represent the Club.
(i) The reasonable costs of each Honorary Life Member and member of the Committee and their spouse/partner attending an Annual Dinner at the Club.
MINUTES OF ANNUAL GENERAL MEETING HELD 20 OCTOBER 2014

MEETING OPENED: 7.04PM

PRESENT
100 eligible members

APOLOGIES
John Dowling (1932)
Moved M Charles (7848) and Seconded M Harris (105) that apologies be accepted.

MINUTES OF PREVIOUS AGM
Minutes of Previous Annual General Meeting presented.
Moved Charles Goodwin (1) and Seconded Ron Mueller (2848) that the minutes of the 2013 Annual General Meeting be accepted.

BUSINESS ARISING
No Business Arising

PRESIDENTS REPORT
President presented his report.
Moved Michelle Charles (7848) and Seconded William Harris (17) that the Presidents report be adopted.

TREASURERS REPORT
Treasurer presented his report.
Moved Bob Westbrook (3475) and Seconded Susanne Barry (9344) that the Treasurers report be adopted.

AUDITORS REPORT & BALANCE SHEET
Moved Jerry Nell (4) and Seconded Michelle Charles (7848) that the Auditors Report be adopted.

APPOINTMENT OF AUDITORS
Moved John Smith (4175) and Seconded Nereda Day (90) that Ian Brown Wallis and Co be re-appointed Auditors for the 2013/2014 year.

ELECTION OF OFFICERS
John Carr (3) advised that Roger Carr (2) was elected unopposed to the position of President.
President Roger Carr (2) advised that Brian Burns (5) was elected unopposed to the position of Senior Vice President.
President Roger Carr (2) advised that Chris Calderbank Park (8) was elected unopposed to the position of Junior Vice President.
President Roger Carr (2) advised that Paul Burns (9) was elected unopposed to the position of Treasurer.
Roger Carr (2) advised that a ballot will take place for the 6 positions available on ordinary committee. Nominee David Eddy (7) withdrew his nomination and therefore a ballot will not need to take place.

Roger Carr (2) advised that the following members were elected unopposed to ordinary Committee: John Day, Heather Pickering, Ian Hart, Peter Leiner, Rob Starcic and John Carr.
GENERAL BUSINESS

Proposed Ordinary Resolution

Moved Michelle Charles (7848) and Seconded T Barry (9852) that:

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

(j) The payment of the sum of $8000 to the Chairman of the Committee and the sum of $800 to each of the other members of the Committee elected at the Annual General Meeting held on 21st October 2013.

(k) The reasonable expenses incurred by members of the Committee for travelling in relation to their duties as members of the Committee and as approved by the Committee from time to time provided such expenses are supported by the production of invoices, receipts or other documentary evidence of such expenditure.

(l) The reasonable cost of members of the Committee attending the Annual General Meeting and Trade Conference of Clubs NSW or other seminars, lectures, trade displays and other similar events as may be determined by the Committee from time to time.

(m) The reasonable cost of members of the Committee attending other registered Clubs for the purpose of viewing and assessing the facilities of those clubs and methods of operation, provided such attendances are approved by the Committee as being necessary in the interests of the Club.

(n) The provision of a suitably inscribed Club blazer and uniform for each member of the Committee.

(o) Each member of the Committee is entitled to the use of a designated car parking space in the Club’s car park.

(p) The reasonable cost of a meal and refreshments for each member of the Committee immediately before, during or immediately after a Committee meeting.

(q) The reasonable costs of each member of the Committee and their spouse/partner attending Dinners and other Club or Industry Functions where appropriate and required to represent the Club.

(r) The reasonable costs of each Honorary Life Member and member of the Committee and their spouse/partner attending an Annual Dinner at the Club.

Solicitor advised of four special resolutions:

Moved Margaret Carr (44) and Seconded Rik McCann (130) that first resolution be taken as read. First Resolution carried unanimously.

Moved Val Leiner (8391) and Seconded Susan Barry (9344) that second resolution be taken as read. Second Resolution carried unanimously.

Moved Ron Mueller (2848) and Seconded David Eddy (7) that third resolution be taken as read. Third Resolution carried unanimously.

Moved Carmel Dives (5897) and Seconded Rob Starcic (11838) that fourth resolution be taken as read. Fourth Resolution carried unanimously.
Roger Carr (2) thanked outgoing President John Carr for the dedication he has shown to the Club during his time as President.

Jerry Nell (4) thanked outgoing President John Carr for his hard work as President over the years. He further thanked David Eddy for standing down from Ordinary Committee to enable some younger Committee members an opportunity to be elected.

Mike Walsh (5502) spoke about staff car parking spots and that members are taking these spots away from the staff.

John Carr (2) thanked everyone for the support given to him during his time as President. Special thanks to his wife Margaret for her support and understanding.

Therese McElroy (15798) asked about why the Clubs Wi-Fi keeps dropping out. Mr Bone advised that a new Wi-Fi system is being set up.

John Fisher (6329) advised that he has been a member since 1976 and wants the Club to look into why the membership cards are invalid when they are swiped. Management to look into this.

Bob Westbrook (3475) on behalf of the Saturday Morning Bowls thanked John and Margaret Carr for everything they have done for the Club.

John Day (6) thanked George Starkey (13) for everything he has done whilst he was on the Committee for 14 years.

MEETING CLOSED 7.50PM

PRESIDENT’S REPORT 2015

The many changes we have made in the past 18 months has turned the Clubs finances around. The upgrade of the Bistro to the newly refurbished Platform 61 has been a great success and under the guidance of Executive Chef Paolo DeLuca has provided a great variety of food for our customers. Our Hennessy on Church Coffee Shop is also very popular providing coffee, cakes and snacks throughout the day and night. The extension to our Deck will be completed soon and we will be excited to reveal what is to come for this area. With our increased sales this means more cars in the car park. The Building Committee has submitted plans for more car parking options.

The Club turned around a loss last year of $171,000- to a profit of $333,000 - this year. This represents a half million dollar turn around. The Board thanks General Manager Richard Bone, Managers and staff for the hard work that has been put in this year. Thankyou also to my fellow Board Members and to my wife Dorit for the help and support she has given me during the year.

Roger Carr
President
TREASURERS REPORT 2015

For the consideration of the members please find the audited accounts for the Illawarra Master Builders Club for the financial year 2014-2015.

I am very pleased to report the club showed a profit of $333,037. This represents a turnaround of $504,657 on last year’s loss of $171,620.

The main areas that have contributed to this result are as follows;

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in Gaming Revenue</td>
<td>$ 826,876</td>
</tr>
<tr>
<td>Increase in Bar, catering and butcher shop Revenue</td>
<td>$ 952,780</td>
</tr>
<tr>
<td>Increase in Gaming Expenses</td>
<td>$ 277,462</td>
</tr>
<tr>
<td>Increase in Gaming Tax</td>
<td>$ 209,001</td>
</tr>
</tbody>
</table>

Capital expenditure during the 2014-2015 financial year has continued with the replacement of our lounge furniture and the recent refurbishment of the clubs bistro, now called Platform 61. This has proven to be very successful with sales of food in continuing to grow.

Extension of the Eastern deck is now complete and we hope to open in time for summer a high quality alfresco style food offering. The style and type of food offering is still being finalized.

I am also happy to report that all of the above was achieved from working capital.

I would like to thank President Mr Roger Carr and my fellow Directors for their help and support over the past 12 months. Also my thanks go out to our General Manager Richard Bone who is continuing to do a great job. To all the Managers and Supervisors I send my gratitude as well.

I would also like to thank the Office Staff for a job well done. We are lucky to have great staff at our club and you have all continued to provide a high standard of service once again this year.

This year is my first as your Clubs Treasurer, a position I am very proud to hold. I would like to thank you the members of our club for the honour of being Treasurer. I am confident that the changes that have recently taken place and the future plans your Board have will only see our great club prosper.

Paul Burns
Treasurer

SPORTS REPORT 2015

It has been my pleasure to have served my third year as Chairperson for the Sports Committee.

I would like to thank the entire committee who has helped me during the last year. I have been able to meet many of the players of different sports that the Builders club supports. Our club is a strong supporter of many sporting organisations within the club and also within the Illawarra District.

We have also taken on new team sponsorships this year. Our sponsored teams have played extremely well throughout the year.

Sports meetings are held quarterly on the 2nd Tuesday in the month and have been represented well by all our sponsored teams. Good luck to all the teams for the rest of the year!

The Sports Presentation night will be held on Friday the 13th of November. We will be presenting an award for the sports person of the year on the night. Good luck to all the nominated sports people.

Heather Pickering
Sports Chairperson
REPORT OF THE DIRECTORS YEAR ENDED 30 JUNE 2015

Directors

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

- Roger Carr: Retired Builder, President for 1 Year & Director for further 1 year
- Paul Burns: Builder, Treasurer for 1 year & Director for a further 7 years
- Brian Burns: Builder, Snr Vice President & Director for a further 40 years
- Chris Calderbank-Park: Builder, Jnr Vice President & Director for a further 3 years
- John Carr: Builder/ Retired Valuer, Director 31 years
- John Day: Retired Builder, Director for 30 Years
- Ian Hart: Optometrist, Director for 11 years
- Heather Pickering: Clerk, Director for 3 years
- Robert Starcic: Company Director, Appointed 20.10.14
- Peter Leiner: Hospitality, Appointed 20.10.14
- David Eddy: Retired Teacher, Retired 20.10.14
- George Starkey: Builder, Retired 20.10.14

Attendance Record of Meetings Held in the Past Year of Office

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

**Board Meetings**

<table>
<thead>
<tr>
<th>Director</th>
<th>Eligible</th>
<th>Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roger Carr</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Paul Burns</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Brian Burns</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Chris Calderbank-Park</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>John Carr</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>John Day</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Ian Hart</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Heather Pickering</td>
<td>12</td>
<td>11</td>
</tr>
</tbody>
</table>

Illawarra Master Builders Club Annual Report 2015
Objectives

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

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

Strategy for achieving the objectives

The principal strategies of The Illawarra Master Builders Club Ltd include

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

Principal Activities

The Club has in the course of the financial year continued to carry on its normal activities as a Registered Club, and there has not been any significant change in the nature of these activities during the year.

Performance measurement and key performance indicators

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

Contributions on winding up

The Club is a public company limited by guarantee, and in accordance with the club’s constitution, the liability of members in the of the club being wound up would not exceed $2 per member. The total amount that members of the company are liable to contribute if the company is wound up is $22,758 based on 11,379 current members

The auditor’s independence declaration for the year ended 30 June 2015 has been received and a copy of the declaration is attached to this report.

Dated: 22 September 2015
Director: Roger Carr
AUDITOR’S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF THE ILLAWARRA MASTER BUILDERS CLUB LIMITED

I declare that, to the best of my knowledge, during the year ended 30 June 2015 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Dated: 22 September 2015

IAN BROWN WALLIS & CO.
IAN BROWN
IAN BROWN Chartered Accountant
Level 2, 221-229 Crown Street
Wollongong NSW 2500
### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

<table>
<thead>
<tr>
<th>NOTE</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>13,162,969</td>
<td>11,250,531</td>
</tr>
<tr>
<td>Bar, Catering and Retail Trading Expenses</td>
<td>(4,610,542)</td>
<td>(3,653,929)</td>
</tr>
<tr>
<td>Gaming Expenses</td>
<td>(3,626,847)</td>
<td>(3,140,384)</td>
</tr>
<tr>
<td>Other Human Resource Costs</td>
<td>(1,374,650)</td>
<td>(1,242,805)</td>
</tr>
<tr>
<td>Other Promotional Costs</td>
<td>(1,044,862)</td>
<td>(1,262,993)</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>(31,900)</td>
<td>(34,209)</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>(2,141,131)</td>
<td>(2,087,831)</td>
</tr>
</tbody>
</table>

| Profit/(Loss) before Income Tax | 333,037 | (171,620) |
| Income Tax Expense | (3) | - |

Total Comprehensive Income/(Loss) for the Year | 333,037 | (171,620) |

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

<table>
<thead>
<tr>
<th></th>
<th>Retained Earnings</th>
<th>Asset Revaluation Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July 2013</td>
<td>13,882,339</td>
<td>9,692,113</td>
</tr>
<tr>
<td>Operating Loss for the Year</td>
<td>(171,620)</td>
<td></td>
</tr>
<tr>
<td>Increase in value of Land and Buildings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 30 June 2014</td>
<td>13,710,719</td>
<td>9,692,113</td>
</tr>
<tr>
<td>Operating Profit for the Year</td>
<td>333,037</td>
<td></td>
</tr>
<tr>
<td>Balance at 30 June 2015</td>
<td>14,043,756</td>
<td>9,692,113</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

### ASSETS

<table>
<thead>
<tr>
<th>Category</th>
<th>Note</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>(4)</td>
<td>755,608</td>
<td>1,031,375</td>
</tr>
<tr>
<td>Trade and Other Receivables</td>
<td>(5)</td>
<td>42,522</td>
<td>41,309</td>
</tr>
<tr>
<td>Inventories</td>
<td>(6)</td>
<td>153,306</td>
<td>133,571</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>(7)</td>
<td>101,410</td>
<td>162,381</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td></td>
<td>1,052,846</td>
<td>1,368,636</td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant &amp; Equipment</td>
<td>(8)</td>
<td>24,327,543</td>
<td>24,093,264</td>
</tr>
<tr>
<td>Intangibles</td>
<td>(9)</td>
<td>113,267</td>
<td>72,567</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT ASSETS</strong></td>
<td></td>
<td>24,440,810</td>
<td>24,165,831</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>25,493,656</td>
<td>25,534,467</td>
</tr>
</tbody>
</table>

### LIABILITIES

<table>
<thead>
<tr>
<th>Category</th>
<th>Note</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other Payables</td>
<td>(10)</td>
<td>515,311</td>
<td>570,458</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td>(11)</td>
<td>268,157</td>
<td>445,872</td>
</tr>
<tr>
<td>Short Term provisions</td>
<td>(12)</td>
<td>516,195</td>
<td>493,673</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT LIABILITIES</strong></td>
<td></td>
<td>1,299,663</td>
<td>1,510,003</td>
</tr>
<tr>
<td><strong>NON-CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td>(11)</td>
<td>376,944</td>
<td>549,852</td>
</tr>
<tr>
<td>Long Term Provisions</td>
<td>(12)</td>
<td>81,180</td>
<td>71,770</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT LIABILITIES</strong></td>
<td></td>
<td>458,124</td>
<td>621,622</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td></td>
<td>1,757,787</td>
<td>2,131,625</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td>23,735,869</td>
<td>23,402,842</td>
</tr>
</tbody>
</table>

### EQUITY

<table>
<thead>
<tr>
<th>Category</th>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Revaluation Reserve</td>
<td></td>
<td>9,692,113</td>
<td>9,692,113</td>
</tr>
<tr>
<td>Retained Earnings</td>
<td></td>
<td>14,043,756</td>
<td>13,710,729</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td></td>
<td>23,735,869</td>
<td>23,402,842</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

## CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from Members and Visitors</td>
<td>13,147,557</td>
<td>11,251,857</td>
</tr>
<tr>
<td>Payments to Suppliers and Employees</td>
<td>(11,525,741)</td>
<td>(10,069,063)</td>
</tr>
<tr>
<td>Interest Received</td>
<td>14,199</td>
<td>11,381</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>(31,900)</td>
<td>(34,209)</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Operating Activities</strong></td>
<td>1,604,115</td>
<td>1,159,966</td>
</tr>
</tbody>
</table>

## CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of Property, Plant and Equipment</td>
<td>(1,488,560)</td>
<td>(1,402,767)</td>
</tr>
<tr>
<td>Purchase of Gaming Licences</td>
<td>(40,700)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Cash used in Investing Activities</strong></td>
<td>(1,529,260)</td>
<td>(1,402,767)</td>
</tr>
</tbody>
</table>

## CASH FLOWS FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from Borrowings</td>
<td>-</td>
<td>416,801</td>
</tr>
<tr>
<td>Repayment of Borrowings</td>
<td>(350,622)</td>
<td>(362,904)</td>
</tr>
<tr>
<td><strong>Net Cash provided/(used) in Financing Activities</strong></td>
<td>(350,622)</td>
<td>53,897</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Increase/(Decrease) in Cash Held</td>
<td>(275,767)</td>
<td>(188,904)</td>
</tr>
<tr>
<td>Cash at the Beginning of the Financial Year</td>
<td>1,031,375</td>
<td>1,220,279</td>
</tr>
<tr>
<td><strong>Net Cash at the End of the Financial Year</strong></td>
<td>755,608</td>
<td>1,031,375</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

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

New, revised or amending Accounting Standards and Interpretations adopted.

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

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

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

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

Basis of Preparation

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

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

Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.
The financial statements have been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Property, Plant and Equipment

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

Property

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

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

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

Plant and Equipment

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

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation

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

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

<table>
<thead>
<tr>
<th>Class of Fixed Assets</th>
<th>Depreciation Rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>2</td>
</tr>
<tr>
<td>Poker Machines</td>
<td>20 &amp; 25</td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td>7.5 to 20</td>
</tr>
</tbody>
</table>
(b) Inventories

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

(c) Employee Entitlements

Provision is made for the company’s liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

(d) Income Tax

The Club pays income tax on income derived other than from members. The Club has accumulated tax losses at 30 June 2014 of $793,516.

The income tax benefit from these losses may be availed of in the future provided that all the conditions from time to time covering the carrying forward such losses are satisfied.

(e) Cash

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

(f) Comparative Figures

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

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST (except where stated). Receivables and payables in the statement of financial position are shown inclusive of GST.
## NOTE 2. REVENUE

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gaming</td>
<td>7,622,725</td>
<td>6,795,849</td>
</tr>
<tr>
<td>Bar, Catering and Retail Trading</td>
<td>4,454,917</td>
<td>3,502,137</td>
</tr>
<tr>
<td>Entertainment Income</td>
<td>466,642</td>
<td>404,295</td>
</tr>
<tr>
<td>Rent Received</td>
<td>253,786</td>
<td>234,061</td>
</tr>
<tr>
<td>Commissions</td>
<td>254,386</td>
<td>219,565</td>
</tr>
<tr>
<td>Other Income</td>
<td>96,344</td>
<td>83,243</td>
</tr>
<tr>
<td>Interest Received</td>
<td>14,169</td>
<td>11,381</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>13,162,969</strong></td>
<td><strong>11,250,531</strong></td>
</tr>
</tbody>
</table>

## NOTE 3. INCOME TAX

Income Tax Expense

There is no income tax payable on the current years operating profit due to carried forward tax of losses (note 1 (d)).

## NOTE 4. CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at Bank and in Hand</td>
<td>341,423</td>
<td>557,390</td>
</tr>
<tr>
<td>Short-Term Bank deposits</td>
<td>414,185</td>
<td>473,985</td>
</tr>
<tr>
<td><strong>Total Cash and Cash Equivalents</strong></td>
<td><strong>755,608</strong></td>
<td><strong>1,031,375</strong></td>
</tr>
</tbody>
</table>

## NOTE 5. TRADE AND OTHER RECEIVABLES

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Receivables</td>
<td>42,522</td>
<td>41,309</td>
</tr>
</tbody>
</table>

## NOTE 6. INVENTORIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>At Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Trading</td>
<td>145,216</td>
<td>116,921</td>
</tr>
<tr>
<td>- Prizes</td>
<td>8,090</td>
<td>16,650</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>153,306</td>
<td>133,571</td>
</tr>
</tbody>
</table>

## NOTE 7. OTHER CURRENT ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments</td>
<td>101,410</td>
<td>162,381</td>
</tr>
</tbody>
</table>

## NOTE 8. PROPERTY, PLANT AND EQUIPMENT

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land at Directors Valuation - 2013</td>
<td>11,534,000</td>
<td>11,534,000</td>
</tr>
<tr>
<td>Land at Cost</td>
<td>226,382</td>
<td>226,382</td>
</tr>
<tr>
<td><strong>Total Land</strong></td>
<td><strong>11,760,382</strong></td>
<td><strong>11,760,382</strong></td>
</tr>
</tbody>
</table>
Revaluation of land and buildings were carried out by the Directors in June 2013. The valuations were based on independent valuations of certain Club property, current land values supplied by the NSW Valuer-General and sale of property near to the Club. The valuations were made in accordance with a regular policy to revalue land and buildings.

**Reconciliations**

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

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Buildings</th>
<th>Plant &amp; Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1.7.14</td>
<td>11,760,383</td>
<td>9,641,908</td>
<td>2,690,974</td>
<td>24,093,264</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>241,452</td>
<td>1,247,097</td>
<td>1,488,549</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>-</td>
<td>(174,301)</td>
<td>(1,079,969)</td>
<td>(1,254,270)</td>
</tr>
<tr>
<td>Carrying amount at</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30.6.15</td>
<td>11,760,383</td>
<td>9,709,059</td>
<td>2,858,102</td>
<td>24,327,543</td>
</tr>
</tbody>
</table>

**NOTE 9. INTANGIBLES**

Poker Machine Licenses Purchased

913,267 72,567

**NOTE 10. TRADE AND OTHER PAYABLES**

Current - Unsecured

Trade Payables 241,092 323,435
Sundry Payables and Accrued Expenses 274,219 247,023

515,311 570,458
NOTE 11. FINANCIAL LIABILITIES

Current

- Bank Loans Secured 255,207 365,000
- Hire Purchase loans 12,950 11,990
- Other Loans 68,882

Non-Current

- Bank Loans Secured 353,475 513,211
- Hire Purchase loans 23,469 36,641

Total Current and Non-Current Secured Liabilities

- Bank Loans 645,101 926,842

The carrying amounts of non-current assets pledged as security are:

First Mortgage Freehold Land and Buildings 17,628,477 17,545,136
Floating Charge Over Assets 6,699,066 6,548,128
Total Assets Pledged as Security 24,327,543 24,093,264

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

NOTE 12. PROVISIONS

Employee Entitlements

Current

Non-Current

- Bank Loans Secured 516,195 493,673
- Hire Purchase loans 81,180 71,770

NOTE 13. KEY MANAGEMENT PERSONNEL DISCLOSURES

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

- Bank Loans 645,101 926,842

Aggregate Compensation 645,101 926,842

NOTE 14. CONTINGENT LIABILITIES

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

Bank Guarantee in favour of the TAB 5,000 5,000

In respect of the Bank Loans, the bank holds first registered mortgages over certain property along with a floating charge over all the assets of the company.
NOTE 15. CAPITAL COMMITMENTS

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

Current
- Building Renovations 233,450 -
- Gaming Machines 223,192 -
Non-Current
- Gaming Machines 91,295 -
Total 547,937 -

NOTE 16. FINANCIAL INSTRUMENTS

Market Risk

Interest rate risk - The company is not exposed to any significant interest rate risk

NOTE 17. POKER MACHINE ENTITLEMENTS

The company currently owns 211 Poker machine entitlements. The value of these intangible assets in accordance with accounting standards, are not recorded in the statement of financial position except for poker machine entitlements purchased from other entities.

The current market value for each entitlement is estimated by the Directors to be in the vicinity of $14,000 based on recent sales. This would make the estimated value of entitlements held by the company to be $2,954,000

DIRECTORS' DECLARATION YEAR ENDED 30 JUNE 2014

In the director’s opinion:

1. The attached financial statements and notes comply with the Corporations Act 2001, the Australian accounting Standards – Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

2. The attached financial statements and notes give a true and fair view of the company’s financial position as at 30 June 2015 and performance for the financial year ended on that date;

3. There are reasonable grounds to believe the company will be able to pay its debts as and when they become due and payable.

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

Date 22 September 2015

Director: Roger Carr

NOTE 12. PROVISIONS

Employee Entitlements
INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF
THE ILLAWARRA MASTER BUILDERS CLUB LIMITED.

I have audited the financial statements of the Illawarra Master Builders Club Limited being the director’s declaration, statement of comprehensive income, statement of changes in equity, statement of financial position, statement of cash flows and notes for the financial year ended 30 June 2015.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

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

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

a) giving a true and fair view of the Company’s financial position as at 30 June 2015 and the performance for the year ended on that date; and

b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

Dated: 23 September 2015

IAN BROWN WALLIS & CO.
IAN BROWN
Chartered Accountant
Level 2, 221-229 Crown Street
Wollongong NSW 2500

Illawarra Master Builders Club Annual Report 2015
DONATIONS AND COMMUNITY SUPPORT
2014 / 2015

Aunties and Uncles  Marine Rescue Port Kembla
Baptist Care  Mount Keira Scout Camp
Blue Mile Dash  NSW Fire Brigade
Camp Quality  Nth Wollongong Surf Life Saving Club
Cancer Council NSW  Operation Christmas
Central Vison Impaired Group  Port Kembla Junior Football Club
City of Wollongong Aerial Patrol  Port Kembla Junior Rugby League
Disabled Bowlers Group  Retired Police Association
Fairy Meadow Rotary Club  Russell Vale Golf Club
Family and Carer Mental Health  SCARF Inc
Figtree Lions Club  Shellharbour Physical Culture Club
Greenacres  St Vincent De Paul
Illawarra Hockey  Uniting Church Wollongong
Illawarra Anzac Day Committee  Vox FM
Illawarra Cancer Carers  West Wollongong Rotary
Illawarra District Rugby Union  Wires Illawarra
Illawarra Drug Awareness Group  Wollongong Alzheimers Support Group
Illawarra Master Builders Association  Wollongong Hospital Childrens Ward
Illawarra Secondary College  Wollongong Junior Oztag Association
Illawarra Womens Football  Wollongong Junior Wolves
Independent Retirees  Wollongong Mustangs
Italian Carers Support Group  Wollongong Probus
Legacy  Wollongong RSL Womens Auxiliary
Leisure Coast Probus  Wollongong Self Advocacy
Leukaemia Foundation  Wollongong University Cricket Club
Life Education Illawarra  Wollongong University Football Club
Lifeline South Coast  Youth Off the Streets