

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
DIRECTORS' REPORT

Your directors present their report on the co-operative for the financial year ended 30 June 2017.

Directors

The names of directors in office at any time during or since the end of the year are:

Barry Haggarty	Paul Fullick
James Critchley	Jennifer Wrightson
Leanne Way	Clifford Coleman
William Fairfull	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the co-operative during the financial year was that of a registered licensed club.

There were no significant changes in the nature of the co-operative's principal activities during the financial year.

Operating Results

The profit of the co-operative after providing for income tax amounted to \$80,484 (2016 loss \$25,660).

Review of Operations

The significantly improved result is primarily due to reduced employee costs and increased poker machine trading. The co-operative also received an insurance recovery during the year of \$15,521.

Significant Changes in State of Affairs

No significant changes in the nature of these activities occurred during the year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the co-operative, the results of those operations, or the state of affairs of the co-operative in future financial years.

Future Developments

Likely developments in the operations of the co-operative and the expected results of those operations in future financial years have not been included in this report.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
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DIRECTORS' REPORT

Environmental Issues

The co-operative's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Short and Long Term Objectives

The co-operative has established short and long term objectives which are reviewed on an annual basis. These objectives are both financial and non financial and are aimed towards providing a comfortable and secure environment to its members that continues to meet their needs. These objectives are measured through both financial and non financial key performance indicators that have been determined relevant to the club industry.

Information on Directors

- Barry Haggarty — President
Experience — Mr Haggarty has been on the board for eleven years. He is retired.
- William Fairfull — Vice President
Experience — Mr Fairfull has been on the board for eleven years. He is a retired school teacher.
- Jennifer Wrightson — Director
Experience — Mrs Wrightson has been on the board for one year. Mrs Wrightson has previous board experience.
- Paul Fullick — Director
Experience — Mr Fullick has been on the board for one year.
- Leanne Way — Director
Experience — Ms Way has been on the board for eleven years. Ms Way has previous board experience.
- James Critchley — Director
Experience — Mr Critchley has been on the board for six years. Mr Critchley is retired.
- Clifford Coleman — Director
Experience — Mr Coleman has been on the board for one year.

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DIRECTORS' REPORT

Directors' and Executive Officers' Emoluments

Since the end of the previous financial year no director of the co-operative has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the accounts, or the fixed salary of a full-time employee of the co-operative or a related corporation, by reason of a contract made by the co-operative or a related corporation with the director or with a firm of which he is a member, or with an entity in which he has a substantial financial interest.

Meetings of Directors

During the financial year 15 meetings of directors (including committees) were held. Attendances were:

	DIRECTORS' MEETINGS	
	Number eligible to attend	Number Attended
Leanne Way	13	12
Barry Haggarty	13	13
William Fairfull	13	11
James Critchley	13	11
J Wrightson	13	8
P Fullick	13	12
C Coleman	13	9

Indemnifying Officers

The co-operative has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the co-operative, other than conduct involving a wilful breach of duty in relation to the co-operative.

Proceedings on Behalf of Co-operative

No person has applied for leave of Court to bring proceedings on behalf of the co-operative or intervene in any proceedings to which the co-operative is a party for the purpose of taking responsibility on behalf of the co-operative for all or any part of those proceedings.

The co-operative was not a party to any such proceedings during the year.

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DIRECTORS' REPORT

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out on page 5.

Signed in accordance with a resolution of the Board of Directors

Barry Haggarty

Director

Dated this day of August 2017.

MARK WALMSLEY *B Comm. CA*
CHARTERED ACCOUNTANT
ABN: 91 918 334 370

Auditor's independence declaration

As lead auditor for the audit of Weston District Workers Co-operative Club Limited for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Weston District Workers Co-operative Club Limited and the entities it controlled during the period.

Mark Walmsley
Stockton
Date:

16 Dunbar Street (PO Box 31)
STOCKTON NSW 2295
Phone: (02) 4920 1311
Fax: (02) 4920 1324

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
STATEMENT OF COMPREHENSIVE INCOME
THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CLASSIFICATION OF EXPENSES BY NATURE			
Revenues from continuing operations	2	6,229,503	5,932,196
Changes in inventories		1,793	(1,493)
Purchases – bar		(256,760)	(257,107)
Employee benefits expenses		(550,312)	(591,106)
Depreciation and amortisation expenses	3	(156,673)	(168,867)
Borrowing costs expenses	3	(56,469)	(49,793)
Poker machine payouts		(3,962,384)	(3,652,228)
Donations, sponsorships and sporting clubs		(34,809)	(30,684)
Member benefits, discounts, entertainment and promotion expenses		(601,133)	(621,949)
Poker machine duty		(83,022)	(89,924)
Insurance		(66,501)	(61,463)
Other expenses from ordinary activities		(382,749)	(433,242)
Profit/(Loss) before income tax	3	<u>80,484</u>	<u>(25,660)</u>
Income tax expense	4	-	-
Profit/(Loss) after income tax		<u>80,484</u>	<u>(25,660)</u>

The above income statement should be read in conjunction with the accompanying notes.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	6	169,813	63,384
Receivables	7	10,585	5,490
Inventories	8	18,513	16,720
Other current assets	9	58,054	60,122
TOTAL CURRENT ASSETS		<u>256,965</u>	<u>145,716</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	3,029,316	3,094,504
TOTAL NON-CURRENT ASSETS		<u>3,029,316</u>	<u>3,094,504</u>
TOTAL ASSETS		<u>3,286,281</u>	<u>3,240,220</u>
CURRENT LIABILITIES			
Payables	11	121,135	154,605
Borrowings	12	186,407	693,825
Provisions	13	284	1,386
TOTAL CURRENT LIABILITIES		<u>307,826</u>	<u>849,816</u>
NON-CURRENT LIABILITIES			
Borrowings	12	574,361	47,670
Provisions	13	5,966	25,707
Non-interest bearing liabilities	14	2,519	3,715
TOTAL NON-CURRENT LIABILITIES		<u>582,846</u>	<u>77,092</u>
TOTAL LIABILITIES		<u>890,672</u>	<u>926,908</u>
NET ASSETS		<u>2,395,609</u>	<u>2,313,312</u>
EQUITY			
Reserves	15	16,169	14,356
Retained profits		2,379,440	2,298,956
TOTAL EQUITY		<u>2,395,609</u>	<u>2,313,312</u>

The above balance sheet should be read in conjunction with the accompanying notes.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Note	Retained Earnings	Share Forfeiture Reserve	Total
		\$	\$	\$
2017				
Balance 1 July 2016		2,298,956	14,356	2,313,312
Shares forfeited during the year	15	-	1,813	1,813
Profit/(loss) attributable to members		80,484	-	80,484
Balance 30 June 2017		<u>2,379,440</u>	<u>16,169</u>	<u>2,395,609</u>
2016				
Balance 1 July 2015		2,324,616	14,342	2,338,958
Shares forfeited during the year	15	-	14	14
Profit/(loss) attributable to members		<u>(25,660)</u>	-	<u>(25,660)</u>
Balance 30 June 2016		<u>2,298,956</u>	<u>14,356</u>	<u>2,313,312</u>

The above statement of change in equity should be read in conjunction with the accompanying notes

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		6,441,710	6,153,304
Payments to suppliers and employees		(6,096,832)	(5,838,988)
Borrowing costs		(56,469)	(49,793)
GST paid		(110,878)	(129,775)
Net cash provided by (used in) operating activities	17b	<u>177,531</u>	<u>134,748</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		6,820	13,636
Payment for property, plant and equipment		(97,811)	(76,757)
Net cash provided by (used in) investing activities		<u>(90,991)</u>	<u>(63,121)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		617	465
Proceeds from borrowings		812,919	148,737
Repayment of borrowings		(638,443)	(269,062)
Net cash provided by (used in) financing activities		<u>175,093</u>	<u>(119,860)</u>
Net increase(decrease) in cash held		261,633	(48,233)
Cash at beginning of year		(91,820)	(43,587)
Cash at end of year	17a	<u>169,813</u>	<u>(91,820)</u>

The above cash flow statement should be read in conjunction with the accompanying notes.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Weston District Workers' Co-Operative Club Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards' - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Co-operatives National Law (NSW). The co-operative is a not for profit entity under the 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 the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial report includes financial statements for Weston Workers' Co-operative Club Ltd as an individual entity. Weston Workers' Co-operative Club Ltd is a Co-operative incorporated in New South Wales under the Co-operatives National Law (NSW) and domiciled in Australia.

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

Basis of preparation

Reporting basis and conventions

The financial statements except for cash flow information, 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. The amount presented to the financial report have been rounded to the nearest dollar.

Critical accounting estimates and judgements

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

Key estimates – impairment

The entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a. Income Tax

Income tax is brought to account on the basis of tax payable. The concepts of mutuality are applied.

Non-member income of the co-operative is only assessable for tax, as member income is excluded under the principle of mutuality.

b. Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of first in first out.

c. Property, Plant and Equipment

All property, plant and equipment is stated at historical cost less, where applicable, accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the co-operative and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which it occurred.

The depreciable amount of all fixed assets, including buildings but excluding Freehold Land, is depreciated on a straight line basis over the assets useful life to the Co-Operative commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Buildings	1 - 2.5%
Plant and equipment	10 - 20%
Poker machines	20%
Furniture and fittings	10%

d. Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

e. Acquisitions of assets

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their published market price at the date of the exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of the fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Co-Operative's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions

f. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

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

Held-to-maturity investments

These investments are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

g. Leases

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

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

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the co-operative will obtain ownership of the asset or ownership over the term of the lease.

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

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

h. Employee Benefits

Short term employee benefits

Provision is made for the co-operative's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

The co-operative's obligations for short term employee benefits such as wages and annual leave are recognised as part of trade and other payables in the statement of financial position.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

h. Employee Benefits (Cont'd)

Other long term employee benefits

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. Expected future payments incorporate anticipated future wage and salary levels, duration of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long term employee benefits, the net change in the obligation is recognised in profit and loss classified under employee benefits expense.

The Co-Operative's obligations for long term employee benefits such as long service leave are presented as non current liabilities in its statement of financial position, except where the Co-Operative does not have an unconditional right to defer settlement for at least twelve months after the end of the reporting period, in which case the obligations are presented as current liabilities.

i. Cash

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

j. Revenue

Revenue from the sale of goods is recognised when the goods have been provided to a customer.

Gaming revenue is recognised when received.

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

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

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

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

k. 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.

Receivables and payables are stated inclusive of the GST receivable or payable. 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.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

l. Provisions

Provisions are recognised when the co-operative has a legal or construction obligation, as a result of past events for which it is probable that an outflow of economic benefits will result and that outflow can be reasonably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

m. Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the co-operative during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as current liability with the amount normally paid within 30 days of the recognition of the liability.

n. Comparative Figures

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

o. Rounding of amounts

The Co-operative is of the kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Call Order to the nearest dollar.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2017

	2017	2016
	\$	\$
NOTE 2: REVENUE		
From continuing operations		
— Sale of goods	624,931	633,832
— Gaming revenue	5,141,993	4,854,813
— Commission	113,733	106,653
— Raffle and bingo	272,057	283,360
— GST rebate	17,180	17,180
— Insurance recovery	15,521	-
— Other	44,088	36,358
Total revenue	<u>6,229,503</u>	<u>5,932,196</u>

NOTE 3: PROFIT FOR THE YEAR

Expenses:

Cost of sales	<u>258,792</u>	<u>263,266</u>
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Borrowing costs		
— other persons	<u>56,469</u>	<u>49,794</u>

Depreciation of non-current assets		
— buildings	62,018	61,908
— plant and equipment	18,523	18,890
— motor vehicles	4,102	3,902
— poker machines	58,839	71,554
— furniture and fittings	13,191	12,613
	<u>156,673</u>	<u>168,867</u>

Net Profit/(loss) on disposal of property, plant and equipment	<u>493</u>	<u>(7,277)</u>
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WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2017

	2017	2016
NOTE 4: INCOME TAX EXPENSE	\$	\$

(a) Income tax expense

Income tax expense is attributable to:

Profit from continuing operations	-	-
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(b) Reconciliation of income tax expense to prima facie tax payable

The Income Tax Assessment Act 1936 (amended) provides that under the concept of mutuality clubs are only liable for income tax derived from non-members and from outside entities. The amount set aside for income tax in the income statement has been provided on a taxable income calculated as follows:

Taxable income attributed to non-members	49,132	19,746
Tax at the Australian tax rate 30% (30%)	14,740	5,924
Tax losses recouped previously not booked	(14,740)	(5,924)
	-	-

(c) Unrecognised tax losses

Gross unrecognised tax losses of \$160,478 have not been booked in the current year.

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to key management personnel of the Co-Operative during the year are as follows:

Key management personnel compensation	115,722	118,598
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NOTE 6: CURRENT ASSETS - CASH AND CASH EQUIVALENTS

Cash at bank	95,678	5,072
Cash on hand	74,135	58,312
	169,813	63,384

NOTE 7: CURRENT ASSETS – RECEIVABLES

Other debtors	10,585	5,490
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WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2017

	2017	2016
NOTE 8: CURRENT ASSETS - INVENTORIES	\$	\$
Stock on hand at cost	18,513	16,720

NOTE 9: CURRENT ASSETS – OTHER ASSETS

Prepayments	58,054	60,122
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NOTE 10: PROPERTY, PLANT AND EQUIPMENT

Freehold land at cost	85,496	85,496
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Buildings, at cost	3,002,644	2,995,264
Less accumulated depreciation	(682,278)	(620,260)
	<u>2,320,366</u>	<u>2,375,004</u>
Total land and buildings	<u>2,405,862</u>	<u>2,460,500</u>

Plant and equipment, at cost	794,487	806,938
Less accumulated depreciation	(608,836)	(622,543)
	<u>185,651</u>	<u>184,395</u>

Motor vehicles, at cost	32,814	32,814
Less accumulated depreciation	(7,181)	(3,079)
	<u>25,633</u>	<u>29,735</u>

Furniture and fittings, at cost	528,247	495,988
Less accumulated depreciation	(395,526)	(382,334)
	<u>132,721</u>	<u>113,654</u>

Poker machines, at cost	1,077,700	1,009,226
Less accumulated depreciation	(798,251)	(703,006)
	<u>279,449</u>	<u>306,220</u>

Total Plant and Equipment	<u>623,454</u>	<u>634,004</u>
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Total Property, Plant and Equipment	<u>3,029,316</u>	<u>3,094,504</u>
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The licensed premises located at 1 Government Road, Weston is the core property of the Club. The club has no non-core property.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2017

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land \$	Buildings \$	Plant and equipment \$	Motor vehicles \$	Poker machines \$	Furniture and fittings \$	Total \$
At 1 July 2016							
- Cost	85,496	2,995,264	806,938	32,814	1,009,226	495,988	5,425,726
- Valuation	-	-	-	-	-	-	-
Accumulated depreciation	-	(620,260)	(622,543)	(3,079)	(703,006)	(382,334)	(2,331,222)
Net book value	85,496	2,375,004	184,395	29,735	306,220	113,654	3,094,504
Year ended 30 June 2017							
Opening net book value	85,496	2,375,004	184,395	29,735	306,220	113,654	3,094,504
Additions	-	7,380	26,105	-	25,248	32,258	90,991
Disposals	-	-	(6,326)	-	6,820	-	494
Depreciation charge	-	(62,018)	(18,523)	(4,102)	(58,839)	(13,191)	(156,673)
Closing net book value	85,496	2,320,366	185,651	25,633	279,449	132,721	3,029,316
At 30 June 2017							
- Cost	85,496	3,002,644	794,487	32,814	1,077,700	528,247	5,521,388
- Valuation	-	-	-	-	-	-	-
Accumulated depreciation	-	(682,278)	(608,836)	(7,181)	(798,251)	(395,526)	(2,492,072)
Net book value	85,496	2,320,366	185,651	25,633	279,449	132,721	3,029,316

	2017 \$	2016 \$
NOTE 11: CURRENT LIABILITIES – PAYABLES		
Trade creditors and accrued expenses	65,482	50,719
Employee entitlements	48,433	49,289
Subscriptions in advance	3,572	3,688
GST payable	3,648	50,909
	<u>121,135</u>	<u>154,605</u>

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2017

	2017	2016
	\$	\$
NOTE 12: LIABILITIES – BORROWINGS		
CURRENT		
Bank overdraft – Trading account	-	154,701
Bank overdraft - Keno account	-	503
Loan – IGT Australia Pty Ltd	-	76,485
Loan – ANZ Bank (a)	138,488	35,000
Loan – National Australia Bank	-	355,856
Loan – Insurance Finance Pty Ltd (b)	47,919	57,200
Hire purchase liability – ANZ Bank	-	7,565
Hire purchase liability – ANZ Bank	-	6,515
	<u>186,407</u>	<u>693,825</u>
NON-CURRENT		
Loan – IGT Australia Pty Ltd	-	12,747
Loan – ANZ Bank (a)	574,361	-
Hire purchase liability – ANZ Bank	-	21,528
Hire purchase liability – ANZ Bank	-	13,395
	<u>574,361</u>	<u>47,670</u>

(a) During the year the co-operative refinanced all borrowings into an ANZ Bank business loan. The term of the loan is 7 years and was used to consolidate debt and provide working capital.

The security provided is a first registered mortgage over the property situated at 1 Government Road, Weston and a general security agreement of all present and after acquired property.

(b) Unsecured loan to fund annual insurance premiums and will be repaid over 10 months.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2017

	2017	2016
NOTE 13: LIABILITIES – PROVISIONS	\$	\$
CURRENT		
Player bonus points	284	1,386
	<hr/>	<hr/>
NON-CURRENT		
Employee entitlements	5,966	25,707
	<hr/>	<hr/>

NOTE 14: NON - INTEREST BEARING LIABILITIES

2,477 fully paid shares of \$1 each	2,477	3,673
7 fully paid shares of \$6 each	42	42
	<hr/>	<hr/>
	2,519	3,715
	<hr/>	<hr/>

NOTE 15: RESERVES

Forfeited shares	15a	16,169	14,356
		<hr/>	<hr/>
a. Forfeited shares reserve			
Opening balance		14,356	14,342
Shares forfeited during the year		1,813	14
		<hr/>	<hr/>
Closing balance		16,169	14,356
		<hr/>	<hr/>

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2017

NOTE 16: CAPITAL AND LEASING	2017	2016
COMMITMENTS	\$	\$
Finance Lease and Hire Purchase		
Commitments payable:		
- Not later than 1 year	-	14,081
- Later than 1 year but not later than 5 years	-	40,032
Minimum lease payments	-	54,113
Less future finance charges	-	5,410
Total lease liability and hire purchase	-	48,703

Operating Lease Commitments

payable:

- Not later than 1 year	52,812	51,408
- Later than 1 year but not later than 5 years	58,976	51,072
Total operating lease commitments	111,788	102,480

Operating lease commitments are:

- (i) SENPOS Touch colour terminal. The operating lease is non- cancellable with a five year term, with rent paid in arrears. Due to finalise in February 2019.
- (ii) PMFA – Photocopier. The operating lease is non- cancellable with a four year term, with rent paid in arrears. Due to finalise in June 2020.
- (iii) Aristocrat Diamond Type 4 Poker Machine. The operating lease is non- cancellable with a three year term, with rent paid in arrears. Due to finalise in April 2020.
- (iv) 2 Aristocrat Diamond Type 4 Poker Machines. The operating lease is non- cancellable with a three year term, with rent paid in arrears. Due to finalise in January 2019.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2017

	2017	2016
NOTE 17: CASH FLOW INFORMATION	\$	\$
a. Reconciliation of Cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:		
Cash at bank	95,678	5,072
Cash on hand	74,135	58,312
	<u>169,813</u>	<u>63,384</u>
Less: Bank Overdraft	-	(155,204)
	<u>169,813</u>	<u>(91,820)</u>

b. Reconciliation of Cash Flow from Operations with Profit from ordinary activities after income tax

Profit/(Loss) from ordinary activities after income tax	80,484	(25,660)
Non-cash flows in profit from ordinary activities:		
— Depreciation	156,673	168,867
— Net loss/(profit) on disposal of plant and equipment	(493)	7,277
Changes in assets and liabilities,		
— Decrease/(Increase) in receivables	(5,095)	2,557
— Decrease/(Increase) in inventories	(1,793)	1,493
— Decrease/(Increase) in prepayments	2,068	(1,793)
— (Decrease)/Increase in payables	(33,470)	(26,636)
— (Decrease)/Increase in provisions	(20,843)	8,643
Cash flows from operations	<u>177,531</u>	<u>134,748</u>

c. Non-Cash Financing and Investing Activities

The co-operative did not have any non- cash transactions during the year.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2017

NOTE 18: FINANCIAL RISK MANAGEMENT

The Co-Operative's financial instruments consist mainly of deposits with banks, short term deposits, accounts receivable and payable, bank overdraft, commercial bills and hire purchase liabilities.

The total of each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2017 \$	2016 \$
Financial assets			
Cash and cash equivalents	7	169,813	63,384
Loans and receivables	8	10,585	5,490
Total financial assets		<u>180,398</u>	<u>68,874</u>
Financial liabilities			
Financial liabilities at amortised cost			
- trade and other payables	12	122,862	50,719
- borrowings	13	760,768	741,495
Total financial liabilities		<u>883,630</u>	<u>792,214</u>

NOTE 19: SEGMENT REPORTING

The entity operates as a licensed club in the hospitality industry in NSW, Australia.

NOTE 20: RELATED PARTY TRANSACTIONS

There were no material transactions with related parties during the financial year.

NOTE 21: CO-OPERATIVE DETAILS

The principal place of business is: 1 Government Road, Weston NSW 2326.

The principal activities of the co-operative are a registered licensed club.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599

DIRECTORS' DECLARATION

The directors of the co-operative declare that:

The financial statements and notes, as set out on pages 5 to 24

1. Presents a true and fair view of the financial position of Weston District Workers' Co-operative Club Limited as at 30 June 2017 and its performance for the year ended on that date in accordance with Co-operatives National Law (NSW), the Australian Accounting Standards – Reduced Disclosure Requirements and the Co-operatives National Regulations (NSW).
2. At the date of this statement, there are reasonable grounds to believe that Weston District Workers' Co-operative Club Limited will be able to pay its debts as and when they fall due.

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

Director

.....

Dated this

day of August

2017

**WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599**

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED**

Opinion

I have audited the financial report of Weston District Workers' Co-Operative Club Limited, which comprises the statement of financial position as at 30th June 2017 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors declaration.

In my opinion, the financial report of Weston District Workers' Co-Operative Club Limited has been prepared in accordance with the Co-operatives National Law (NSW), including:

- (a) giving a true and fair view of the Co-operative's financial position as at 30th June, 2017, and of its financial performance for the year then ended; and
- (b) complying with the Australian Accounting Standards – Reduced Disclosure Requirements and the Co-operatives National Regulations (NSW).

Basis for Opinion

I have conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial Reports section of my report. I am independent of the registered entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Weston District Workers' Co-Operative Club Limited, would be in the same terms if given to the directors as at the time of this audit report.

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

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED

I Responsibilities of Directors and Those Charged with Governance for the Financial Report

Directors of the Co-operative are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and the Co-operatives National Law (NSW), and for such internal control as Directors determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, where due to fraud or error.

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

Those charged with governance are responsible for overseeing the Co-operative's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain profession scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- Obtaining an understanding of internal control relevant to the audit in order to design and audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Co-operative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the directors entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Co-operative's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Co-operative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

MARK WALMSLEY

Mark Walmsley

Date August 2017
16 Dunbar Street
STOCKTON NSW 2295

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599

COMPILATION REPORT

On the basis of the information provided by the directors of Weston District Workers' Co-operative Club Limited, we have compiled, in accordance with APS 9: Statement of Compilation of Financial Reports the special purpose financial report consisting of the profit and loss account, bar trading account, and poker machine trading account for year ended 30 June 2017.

The specific purpose for which the special purpose financial report has been prepared is to provide private information to the directors. The extent to which Accounting Standards and other mandatory professional reporting requirements have not been adopted in the preparation of the special purpose financial report is set out in Note 1.

The co-operative's directors are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent and are appropriate to meet the needs of the directors.

Our procedures use accounting expertise to collect, classify and summarise the financial information which the directors provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person other than the entity may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared exclusively for the benefit of the co-operative. We do not accept responsibility to any other person for the contents of the special purpose financial report.

21 Vincent Street
CESSNOCK NSW 2325

LAILAW & ASSOCIATES

Dated August 2017

Joanne Laidlaw

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED**ABN 65 053 198 599****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
INCOME	\$	\$
Gross profit on trading	1,231,909	1,219,279
TAB commission	17,301	11,096
Keno commission	70,370	69,908
Commission from vending machines	26,062	25,649
Sundry income	22,747	16,109
Members subscriptions	10,201	9,340
Raffle and bingo income	272,057	283,360
Rent – caterer	10,912	10,909
GST rebate	17,180	17,180
Profit on disposal of assets	493	-
Insurance recovery	15,521	-
Total Income	<u>1,694,753</u>	<u>1,662,830</u>
Less: Expenses		
Accountancy and auditing fees	21,850	25,432
Advertising	13,821	18,226
Bank and borrowing charges	7,675	4,807
Cleaning	30,553	48,211
Computer expenses	8,049	7,560
Depreciation – general	97,834	97,313
Directors' benefits, training and conference expenses	11,325	6,958
Donations, sponsorship and sporting club expenses	34,809	30,684
Electricity and gas	74,572	73,062
Entertainment	51,579	56,110
Fringe benefits tax	-	1,249
Insurance	66,501	61,463
Interest paid	48,794	44,986
Keno maintenance and fees	3,813	6,169
Lease expenditure	15,916	17,339
Licensing fees	5,184	5,408

This Revenue Account does not form part of the audited financial report and should be read
In conjunction with the attached compilation report.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED
ABN 65 053 198 599
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
Loss on disposal of assets	-	7,277
Members benefits, social and promotion expenses	85,870	112,552
Motor vehicle expenses	5,268	5,139
Printing and stationery	7,031	8,012
Provision for employee leave	(20,597)	10,857
Raffles and bingo expenses	391,381	383,011
Rates and taxes	21,506	17,954
Repairs and maintenance	25,034	26,540
Security costs	6,563	6,750
Staff training and welfare	3,454	2,624
Subscriptions	6,109	9,536
Superannuation fund contributions	43,766	51,315
TAB expenses	7,948	-
Telephone	11,518	13,012
Wages	527,143	528,934
Total Expenses	1,614,269	1,688,490
Operating profit/(loss) before income tax	80,484	(25,660)

This Revenue Account does not form part of the audited financial report and should be read
In conjunction with the attached compilation report.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED**ABN 65 053 198 599****BAR TRADING ACCOUNT FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
Sales	624,931	633,832
Less members discounts	<u>(72,303)</u>	<u>(70,276)</u>
	552,628	563,556
Less: Cost of Goods Sold		
Opening stock	15,984	17,426
Purchases	256,760	257,107
Freight	<u>4,067</u>	<u>4,717</u>
	276,811	279,250
Closing stock	<u>18,019</u>	<u>15,984</u>
Cost of goods sold	<u>258,792</u>	<u>263,266</u>
Gross Profit	293,836	300,290
Less: Direct costs		
Stocktaking expenses	<u>5,060</u>	<u>5,520</u>
	<u>5,060</u>	<u>5,520</u>
Net Profit	<u>288,776</u>	<u>294,770</u>

This Revenue Account does not form part of the audited financial report and should be read
In conjunction with the attached compilation report.

WESTON DISTRICT WORKERS' CO-OPERATIVE CLUB LIMITED

ABN 65 053 198 599

POKER MACHINE TRADING ACCOUNT FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
Poker machine takings	5,258,434	4,972,699
Less: Poker machine payouts	<u>(3,962,384)</u>	<u>(3,652,228)</u>
	1,296,050	1,320,471
Less: Direct costs		
GST on poker machines	116,441	117,886
Poker machine duty	83,022	89,924
Depreciation	58,839	71,554
Data monitoring service	26,349	25,586
Repairs and maintenance	30,109	31,698
Operating leases – poker machines	<u>38,157</u>	<u>59,314</u>
	<u>352,917</u>	<u>395,962</u>
Net Profit	<u>943,133</u>	<u>924,509</u>

This Revenue Account does not form part of the audited financial report and should be read
In conjunction with the attached compilation report.