

BULLI WORKERS CLUB LIMITED

ABN 59 001 070 364

REPORT OF THE DIRECTORS YEAR ENDED 30 JUNE 2021

Directors

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

D. Lane, D. Carney, G. Ford, S Johnston, R. Day, R. McMullen and B Smith

Attendance Record of Meetings Held in the Past Year of Office

There were 13 meetings held during the year and the personal attendance records of the Directors are set out below:

	Board Meetings		Years on Board
	<u>Eligible</u>	<u>Attended</u>	
D. Lane	12	12	11
D.Carney	12	12	14
G. Ford	12	8	6
S Johnston	12	9	4
R. Day	12	10	4
R. McMullen	12	9	4
B Smith	12	9	3

Objectives

Short term: The objectives of Bulli Workers Club Limited are to maintain, and continually develop, a modern social and entertainment venue providing a high level of service consistent with the expectations of members and visitors to the Club.

Long term: To maintain the ongoing financial viability of the Club and the best possible facilities for members.

Strategy for achieving the objectives

The principal strategies of Bulli Workers Club Limited include

- Offering a broad range of entertainment and social activities.
- Maintaining high levels of customer service.
- Providing a safe and rewarding working environment for Club staff.

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, except that the Club's revenue was severely impacted when it closed from 26 June 2021 due to Covid-19 trading restrictions imposed by the NSW Government.

The Club commenced restricted trading activities from 11 October 2021. At the date of this report, the directors are unable to quantify the effect of Covid-19 restrictions on future trading activities of the Club.

Performance measurement and key performance indicators

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

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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 \$1 per member. The total amount that members of the company are liable to contribute if the company is wound up is \$2,757 based on 2,757 current members

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2021 has been received and a copy of the declaration is attached to this report.

Dated: 8 November 2021

Director: D Lane

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF THE BULLI WORKERS CLUB LIMITED**

I declare that, to the best of my knowledge, during the year ended 30 June 2021 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: 8 November 2021

Ian Charles Brown
Registered Company Auditor (1166)
HLB Mann Judd Wollongong
65 Kembla Street
Wollongong NSW 2500

BULLI WORKERS CLUB LIMITED

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**DIRECTORS' DECLARATION
YEAR ENDED 30 JUNE 2021**

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 2021 and performance for the financial year ended on that date; and
3. There are reasonable grounds to believe the company will be able to pay its debts as and when they become due and payable.

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

Dated: 8 November 2021

Director: D Lane

BULLI WORKERS CLUB LTD
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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021	2020
Revenue	(2)	2,247,768	1,855,965
Bar and Catering		(362,014)	(350,151)
Gaming Expenses		(127,352)	(106,672)
Other Human Resource Costs		(717,826)	(549,267)
Other Promotional Costs		(279,699)	(241,029)
Other Expenses		<u>(515,522)</u>	<u>(637,056)</u>
Profit/(Loss) before Income Tax		245,355	(28,210)
Income Tax Expense	(3)	-	-
Total Comprehensive Income/(Loss) for the Year		<u>245,355</u>	<u>(28,210)</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Retained Earnings
Balance at 1 July 2019	2,872,096
Operating Profit/(Loss) for the Year	<u>(28,210)</u>
Balance at 30 June 2020	<u>2,843,886</u>
Operating Profit for the Year	245,355
Balance at 30 June 2021	<u>3,089,241</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	NOTE	2021	2020
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	(4)	1,400,995	1,044,744
Receivables	(5)	-	36,679
Inventories	(6)	62,451	46,455
Other Current Assets	(7)	2,493	17,452
TOTAL CURRENT ASSETS		<u>1,465,939</u>	<u>1,145,330</u>
NON-CURRENT ASSETS			
Property ,Plant & Equipment	(8)	1,920,918	1,854,427
TOTAL NON-CURRENT ASSETS		<u>1,920,918</u>	<u>1,854,427</u>
TOTAL ASSETS		<u><u>3,386,857</u></u>	<u><u>2,999,757</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other Payables	(9)	154,300	18,130
Short Term provisions	(10)	138,587	126,863
TOTAL CURRENT LIABILITIES		<u>292,887</u>	<u>144,993</u>
NON-CURRENT LIABILITIES			
Long Term Provisions	(10)	4,729	10,878
TOTAL NON-CURRENT LIABILITIES		<u>4,729</u>	<u>10,878</u>
TOTAL LIABILITIES		<u><u>297,616</u></u>	<u><u>155,871</u></u>
NET ASSETS		<u><u>3,089,241</u></u>	<u><u>2,843,886</u></u>
EQUITY			
Retained Earnings		<u>3,089,241</u>	<u>2,843,886</u>
TOTAL EQUITY		<u><u>3,089,241</u></u>	<u><u>2,843,886</u></u>

The accompanying notes form part of these financial statements.

BULLI WORKERS CLUB LTD
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Members and Visitors	2,247,959	1,818,707
Payments to Suppliers and Employees	(1,598,832)	(1,677,652)
Interest Received	191	579
Net Cash Provided by Operating Activities	<u>649,318</u>	<u>141,634</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	<u>(293,067)</u>	<u>(59,555)</u>
Net Cash Provided in Investing Activities	<u>(293,067)</u>	<u>(59,555)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	-	-
Repayment of Borrowings	<u>-</u>	<u>-</u>
Net Cash used in Financing Activities	<u>-</u>	<u>-</u>
Net Increase in Cash Held	356,251	82,079
Cash at the Beginning of the Financial Year	1,044,744	962,665
Net Cash at the End of the Financial Year	<u>1,400,995</u>	<u>1,044,744</u>
RECONCILIATION OF CASH FROM OPERATIONS WITH OPERATING PROFIT		
Operating profit/(loss) after tax	245,355	(28,210)
Non cash flows in operating profit		
Depreciation	226,576	206,947
Increase/(Decrease) in Provisions	5,575	16,462
Decrease/(Increase) in Receivables	36,679	(36,679)
Decrease/(Increase) in Other Current Assets	14,959	(1,127)
Increase/(Decrease) in Trade and Other Payables	136,170	(13,558)
Decrease/(Increase) in Inventories	<u>(15,996)</u>	<u>(2,201)</u>
	<u>649,318</u>	<u>141,634</u>

The accompanying notes form part of these financial statements.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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

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have been consistently applied unless otherwise stated.

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

(a) Property, Plant and Equipment

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

Property

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

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

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

Plant and Equipment

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

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

Depreciation

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

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

Class of Fixed Assets	Depreciation Rate %
Buildings	4
Poker Machines	20
Plant and Equipment	5 to 20

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(b) Inventories

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

(c) Employee Entitlements

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

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

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

(d) Income Tax

The Club pays income tax on income derived other than from members.

Income tax expense for the year ended 30 June 2021 is detailed at Note 3.

(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.

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	2021	2020
NOTE 2. REVENUE		
Gaming	886,984	644,846
Bar and Catering	930,764	898,712
Subscriptions	10,273	12,410
Entertainment Income	94,717	61,589
Rent Received	2,400	1,350
Commissions	148,064	102,674
Other Income	8,672	8,642
Profit on Sale of Assets	18,182	-
Government Subsidies	147,521	125,163
Interest Received	191	579
	2,247,768	1,855,965
NOTE 3. INCOME TAX		
Income tax expense has been calculated as follows:		
Profit for the year before income tax	245,355	(28,210)
Less Non-Members adjustment	(185,675)	(2,549)
Taxable Income/(Loss)	59,680	(30,759)
Tax Losses from previous years	(141,551)	(110,792)
Total Tax Losses	(81,871)	(141,551)
Income Tax @26% (27.5% 2020)	-	-
NOTE 4. CASH AND CASH EQUIVALENTS		
Cash at Bank and in Hand	656,341	300,281
Short-Term Bank deposits	744,654	744,463
	1,400,995	1,044,744
NOTE 5. RECEIVABLES		
Government Subsidies	-	36,679
NOTE 6. INVENTORIES		
At Cost		
- Trading	62,451	46,455
NOTE 7. OTHER CURRENT ASSETS		
Prepayments	2,493	17,452

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	2021	2020
NOTE 8. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings at Cost	3,557,744	3,421,418
Less Accumulated Depreciation	<u>(1,955,429)</u>	<u>(1,851,641)</u>
Total Land & Buildings	<u>1,602,315</u>	<u>1,569,777</u>
Plant and Equipment at Cost	2,681,435	2,569,486
Less Accumulated Depreciation	<u>(2,362,832)</u>	<u>(2,284,836)</u>
	<u>318,603</u>	<u>284,650</u>
Total Property, Plant and Equipment	<u>1,920,918</u>	<u>1,854,427</u>

Reconciliations

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

	Land and Buildings	Plant and Equipment	Total
Balance at 1.7.20	1,569,777	284,650	1,854,427
Additions	136,326	156,741	293,067
Reductions			-
Depreciation Expense	<u>(103,788)</u>	<u>(122,788)</u>	<u>(226,576)</u>
Carrying amount at 30.6.21	<u>1,602,315</u>	<u>318,603</u>	<u>1,920,918</u>

At the date of this report the land and buildings have not been revalued. The NSW Valuer General has a value of \$2,500,000 on the land and this is the value for assessing council rates. The Club buildings at the the date of this report are insured for \$6,500,000

	2021	2020
NOTE 9. TRADE AND OTHER PAYABLES		
<u>Current - Unsecured</u>		
Trade Payables	146,951	18,130
Sundry Payables and Accrued Expenses	<u>7,349</u>	<u>-</u>
	<u>154,300</u>	<u>18,130</u>

NOTE 10. PROVISIONS

Current

Employee Entitlements	<u>138,587</u>	<u>126,863</u>
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Non-Current

Employee Entitlements	<u>4,729</u>	<u>10,878</u>
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NOTE 11. KEY MANAGEMENT PERSONNEL DISCLOSURES

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

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Aggregate Compensation

104,299

99,770

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2021 2020

NOTE 12. CONTINGENT LIABILITIES

Estimates of material amounts of contingent liabilities not provided for in the accounts.

<u> -</u>	<u> -</u>
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NOTE 13. CAPITAL COMMITMENTS

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

- Building Renovations

<u> 185,156</u>	<u> -</u>
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NOTE 14. FINANCIAL INSTRUMENTS

Market Risk

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

NOTE 15. COVID 19

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

**INDEPENDENT AUDITORS REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

To the Members of Bulli Workers Club Ltd:

Auditors Opinion

I have audited the financial report of Bulli Workers Club Ltd ("the Company") which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 accompanying financial report of the Company 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 2021 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

I 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 Report section of my report. I am independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants ("the Code") that are relevant to 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 the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If 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 my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

Ian Charles Brown
Registered Company Auditor (1166)
HLB Mann Judd Wollongong
65 Kembla Street
Wollongong NSW 2500

Date: 8 November 2021