

Meetings of Directors

During the financial year, 16 meetings of Directors were held. Attendances by each Director were as follows:

<u>Director</u>	<u>No. of Director Meetings Held</u>	<u>No. of Director Meetings Attended</u>
Peter Haack	16	16
Malcolm uss	16	5
Philip O'Leary	16	14
Brian Smyth	16	5
Steve Tait	16	12
Anthony Larter	16	14
John Reid	16	10
Maurice Segedin	16	16
Richard Shacklady	16	10
Wallace Twomey	16	9
Gordon Leggett	16	15
Leigh Hammond	16	15
Con Mossel	16	11

Principal Activities

The principal activity of the company during the financial year was - Licensed Club. No significant changes in the nature of the company's activity occurred during the financial year.

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the company.

Operating Results

The loss of the company for the year ended 30 June 2011 after providing for income tax was \$33,635 (2010 Profit \$60,535 after providing for income tax).

Review of Operations

A review of the operations of the company during the financial year indicated that net cash provided by operating activities was \$206,972 (2010 \$254,601). Expenditure on Property, Plant & Equipment was \$51,378 (2010 \$199,776). During the year, net cash increased by \$72,863 (2010 decreased by \$151,797). Depreciation charge for the year was \$238,705 (2010 \$224,486).

Dividends

The company has no provisions in its Articles for the payment of dividends.

Significant Changes in State of Affairs

o significant changes in the company's state of affairs occurred during the year.

After Balance Date Events

At the date of this report, there are no other matters or circumstances which have arisen since 30 June 2011 that have significantly affected or may significantly affect:

- (i) the operations of the company;
- (ii) the results of those operations; or
- (iii) the state of affairs of the company

in the financial year subsequent to 30 June 2011.

Future Developments

The company expects to maintain the present status and level of operations.

Environmental Issues

The company's operations are subject to various regulations under Commonwealth and State legislation. The Directors are not aware of any significant breaches of legislation during the financial year.

Indemnifying Officers or Auditor

The company has provided for and paid premiums during the year for Directors and Officers liability insurance. The insurance is in respect of legal liability for damages and legal costs arising from claims made by reason of any omissions or acts (other than dishonesty) by them, whilst acting in their individual or collective capacity as Directors or Officers of the company.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of Directors' and Officers' liability and legal expenses contract as such disclosure is prohibited under the terms of the contract.

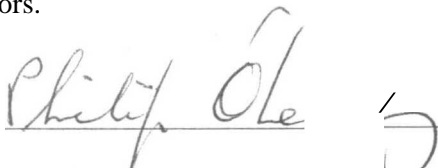
Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The Auditor's independence declaration for the year ended 30 June 2011 as required under Section 307C of the Corporations Act 2001 has been received and is set out on the following page.

Signed on behalf of the Board in accordance with a resolution of the Board of Directors.



Director and President - Philip O'Leary

Dated this~~ay of September 2011 at Dee Why


AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD

To the Board of Directors:-

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 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.

Joseph Shamia & Co.
Chartered Accountants

 **tf-h.**

Joseph Shamia
Registered Company Auditor

Suite 1,307-317 Condamine Street, Manly Vale NSW 2093

Dated this 17th day of September 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD

I have audited the accompanying financial report of Manly- Warringah Master Builders' Club Ltd, which comprises the Statement of Financial Position as at 30 June 2011 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Directors' Declaration.

Directors Responsibility for the Financial Report

The Directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards Reduced Disclosure Requirements (including Australian Accounting Interpretations) 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 is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those 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 report. 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 that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

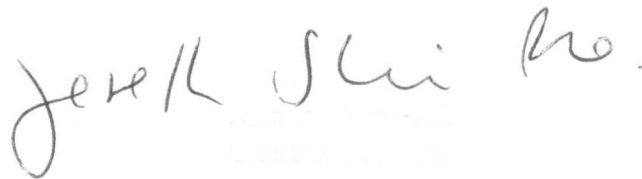
In conducting my audit, I have complied with the independence requirements of the Corporations Act 2001. I confirm that the independence declaration required by the Corporations Act 2001, provided to the Directors of Manly- Warringah Master Builders' Club Ltd on 30 September 2011, would be in the same terms if provided to the Directors as at the date of this auditor's report.

Auditor's Opinion

In my opinion, the financial report of Manly-Warringah Master Builders' Club Ltd 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 2011 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Corporations Regulations 2001.

Joseph Shamia & Co.
Chartered Accountants

A handwritten signature in black ink that reads "Joseph Shamia". The signature is written in a cursive style with a large initial 'J'.

Joseph Shamia
Registered Company Auditor

Suite 1,307-317 Condamine Street, Manly Yale NSW 2093

Dated this **P**~y of September 2011

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD

A.B.N. - 25 001 013 074

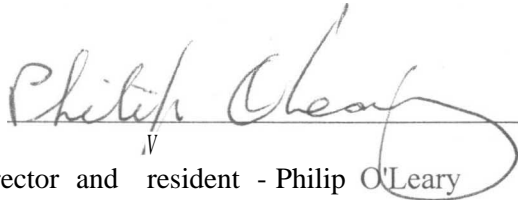
DIRECTORS' DECLARATION

30 JUNE 2011

The Directors of the company declare that:

1. The financial report comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Report are in accordance with the Corporations Act 2001:
 - (a) comply with Australian Accounting Standards: and
 - (b) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the company.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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


Director and resident - Philip O'Leary

Dated this }P ~ of September 2011 at Dee Why

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.R.N. - 2S 001013 074
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011	2010
Revenue		2,806,004	2,961,335
Cost of Goods Sold		(661,402)	(757,885)
Employee Benefits Expense		(880,505)	(870,953)
Depreciation & Amortisation Expense		(238,705)	(224,486)
Finance Costs	3	(48,092)	(48,876)
Other Expenses		(970,164)	(960,496)
Profit Before Income Tax	3	7,136	98,639
Income Tax Expense		(40,771)	(38,104)
Profit (Loss) Attributable to Members		(33,635)	60,535

The accompanying notes form part of this financial report

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.B.N. - 25 001 013 074
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	NOTE		2010
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	5	162,513	89,650
Receivables	6	35,453	39,183
Inventories	7	36,970	30,712
TOTAL CURRENT ASSETS		234,936	159,545
<u>NON-CURRENT ASSETS</u>			
Property, Plant and Equipment	8	4,514,845	4,684,633
TOTAL ASSETS		4,749,781	4,844,178
<u>CURRENT LIABILITIES</u>			
Creditors and Borrowings	9	265,059	239,791
Provisions	10	48,435	73,885
TOTAL CURRENT LIABILITIES		313,494	313,676
<u>NON-CURRENT LIABILITIES</u>			
Creditors and Borrowings	11	510,137	590,996
Provisions	12	134,920	114,641
TOTAL NON-CURRENT LIABILITIES		645,057	705,637
TOTAL LIABILITIES		958,551	1,019,313
NET ASSETS		3,791,230	3,824,865
<u>TOTAL EQUITY</u>			
Retained Profits		3,791,230	3,824,865

The accompanying notes form part of this financial report

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.B.N. - 25 001 013 074
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Retained Earnings \$	Total \$
Balance at 1 July 2009	3,764,330	3,764,330
Profit Attributable to Members	60,535	60,535
Balance at 30 June 2010	3,824,865	<hr/> 3,824,865
Loss Attributable to Members	(33,635)	(33,635)
Balance at 30 June 2011	<hr/> 3,791,230	<hr/> 3,791,230

The accompanying notes form part of this financial report

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.R.N. - 25001013 074
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Club Operations		2,861,700	3,039,369
Payments to Suppliers & Employees		(2,615,854)	(2,734,991)
Goods & Services Tax Payments		(130,730)	(151,187)
Interest Received		7	404
Rental Properties - Net		141,429	124,364
Income Taxes Paid		(49,580)	(23,358)
Net cash provided by operating activites	19	206,972	254,601
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for Property, Plant & Equipment		(51,378)	(199,776)
Proceeds Disposal Property, Plant & Equipment			
Net cash used in investing activities		(51,378)	(199,776)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long Term Debt Repayments		(82,731)	(206,622)
Net cash used in financing activities		(82,731)	(206,622)
Net increase (decrease) in cash held		72,863	(151,797)
Cash at beginning of financial year		89,650	241,447
Cash at end of financial year	19	162,513	89,650

The accompanying notes form part of this financial report

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.R.N. - 25 001 013 074
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

The financial report is for Manly-Warringah Master Builders' Club Ltd as an individual entity, incorporated and domiciled in Australia. Manly-Warringah Master Builders' Club Ltd is a company limited by guarantee.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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 Corporations Act 2001.

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

The financial report has 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.

Accounting Policies

(a) Revenue

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

Interest revenue is recognised on a receipts basis.

All revenue is stated net of the amount of Goods and Services Tax (GST).

(b) Inventories

Inventories are measured at the lower of cost and current replacement cost.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost as indicated, less, where applicable accumulated depreciation.

Property

Freehold land and buildings are shown at their cost as indicated.

Plant and Equipment

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

The accompanying notes form part of this financial report

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.B.N. : 25 001 013 074
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

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

Depreciation

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

Depreciation on property, plant and equipment is calculated using the straight line method to allocate their cost, net of residual values over their estimated useful lives. The estimated useful life of the Club House is 40 years. Plant, equipment, furniture and fittings vary between 2 1/2 and 20 years.

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

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than the estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Cd) Impairment of Assets

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

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

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

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

The accompanying notes form part of this financial report

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.B.N. - 25 001 013 074
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

(e) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. 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. 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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

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

(D) Cash and Cash Equivalents

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

(g) 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(h) Income Tax

The Club's liability for Income Tax relates to the net revenue from non-members, rentals and interest less concessional deductions claimable under the Income Tax Assessment Act and is not determined on the profit as shown in the Income Statement.

(i) Provisions

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

The accompanying notes form part of this financial report

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.B.N. - 25 001 013 074
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

(D) Comparative Figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial report, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(k) Trade and Other Payables

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

(l) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts known to be uncollectable are written off. A provision for doubtful debts is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The movement in the provision is recognised in the Income Statement.

(m) Critical Accounting Estimates and Judgments

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

(n) Key Estimates

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

The accompanying notes form part of this financial report

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.B.N. - 25 001 013 074
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011	2010
<u>NOTE 2 - Revenue and Other Income</u>			
Sales Revenue:			
Sale of Goods		2,482,873	2,680,630
Other Revenue:			
Interest Received		7	404
Members' Subscriptions		19,284	5,090
Commission and Sundry Income		99,388	97,887
Rental Income		204,452	177,324
Total Revenue		2,806,004	2,961,335

The Office of State Revenue has paid \$17,180 to the Club under the GST Rebate Scheme based on the Club's gaming profit

NOTE 3 - Profit Before Income Tax

Expenses:			
Interest Expense		48,092	48,876
Cost of Sales		1,410,326	1,519,379

NOTE 4 - Auditors' Remuneration

Auditing the Financial Report		21,560	27,423
Taxation or Compliance Services		6,500	6,500
		28,060	33,923

The accompanying notes form part of this financial report

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.R.N. - 25 001 013 074
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

	2010	
NOTE 5 - Cash and Cash Equivalents		
Cash on Hand	79,209	79,209
Cash at Bank	83,304	10,441
	162,513	89,650
NOTE 6 - Receivables		
Prepayments & Deposits	18,158	18,639
Sundry Debtors - Accrued Income	17,295	20,544
	35,453	39,183
NOTE 7 - Inventories		
Stock on Hand - at Cost	36,970	30,712
NOTE 8 - Property, Plant and Equipment		
Club Building & Car Park	2,323,773	2,321,281
Less Accumulated Depreciation	481,972	425,413
	1,841,801	1,895,868
Freehold Land & Building - Investment Properties	2,154,821	2,141,709
Less Accumulated Depreciation	1,904	745
	2,152,917	2,140,964
Plant, Equipment, Furniture & Fittings	2,065,278	2,021,867
Less Accumulated Depreciation	1,545,151	1,374,066
	520,127	647,801
	4,514,845	4,684,633

In accordance with the Registered Clubs Act, the Club's core property is located at 16-18 Fisher Road, Dee Why

The accompanying notes form part of this financial report

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.R.N. - 2S 001 013 074
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

2010

NOTE 9 - Creditors & Borrowings

Trade Creditors	46,153	39,210
Sundry Creditors & Accruals	36,652	13,497
Subscriptions in Advance	7,568	13,625
Goods and Services Tax Payable	38,030	34,931
Asset Purchase Liability	17,520	17,520
Loan (Secured) - Bendigo Bank Business Loan	119,136	121,008
	265,059	<u>239,791</u>

NOTE 10 - Provisions

Provision for Income Tax	1,907	20,431
Provision for Employee Entitlements	46,528	53,454
	48,435	<u>73,885</u>

NOTE 11 - Creditors & Borrowings

Loan (Secured) - Bendigo Bank Business Loan	499,917	563,236
Asset Purchase Liability	10,220	27,760
	510,137	<u>590,996</u>

The security for the Bendigo Bank loans are first registered equitable mortgages over two of the Club's four properties

NOTE 12 - Provisions

Provision for Employee Entitlements	134,920	114,641
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The accompanying notes form part of this financial report

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.R.N. - 25 001013 074
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

Note 2011 2010

NOTE 13 - Events after The Balance Sheet Date

As at the date of this report, there are no other matters or circumstances which have arisen since 30 June 2011 that have significantly affected or may significantly affect:-

- (i) the operations of the company;
- (ii) the results of those operations; or
- (iii) the state of affairs of the company

in the financial years subsequent to 30 June 2011.

NOTE 14 - Segment Reporting

The company operates predominantly in the Club industry. The principal activities of the company are the operation of a Registered Club. The company operates in one geographical area, being Dee Why, New South Wales, Australia.

NOTE 15 - Financial Risk Management

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

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

Financial Assets

Cash and Cash Equivalents	\$162,513	\$89,650
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Financial Risk Management Policies

The Board of Directors meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board of Directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

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

The accompanying notes form part of this financial report

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.R.N. : 25 001 013 074
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

Interest Rate Risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. The net effective variable interest rate on borrowings exposes the company to interest rate risk which will impact future cash flows and interest charges and is indicated by the below interest rate financial liabilities.

Liquidity Risk

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. This is achieved by:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk, related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider that there is any material risk that the bank will terminate such facilities. The bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year end could become repayable within 12 months. Financial guarantee liabilities are treated as payable on demand since the company has no control over the timing of any potential settlement of the liability.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will roll forward.

The accompanying notes form part of this financial report

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.R.N. - 25 001 013 074
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

Financial liability and financial asset maturity analysis

	2011	2010
Financial liabilities due payment	Within 1	year
Bendigo Bank Loans	119,136	121,008
Total contractual outflows	119,136	121,008
Total expected outflows	119,136	121,008
Net (outflow) inflow on financial instruments	(119,136)	(121,008)
Financial liabilities due payment	Within 5	years
Bendigo Bank Loans	499,917	563,236
Total contractual outflows	499,917	563,236
Total expected outflows	499,917	563,236
Net (outflow) inflow on financial instruments	(499,917)	(563,236)
Financial Liabilities	Total	
Bendigo Bank Loans	619,053	684,244
Total contractual outflows	619,053	684,244
Total expected outflows	619,053	684,244
Net (outflow) inflow on financial instruments	(619,053)	(684,244)

Financial Assets Pledged as Collateral

Certain financial assets have been pledged as security for debt and their realisation into cash may be restricted subject to terms and conditions attached to the relevant debt contracts.

Foreign Exchange Risk

The company is not exposed to fluctuations in foreign currencies.

Credit Risk

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

There are no material amounts of collateral held as security at year end.

Credit risk is managed on a company basis and reviewed regularly by the finance committee. It arises from exposures to customers as well as through certain derivative financial instruments and deposits with financial institutions.

The accompanying notes form part of this financial report

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.R.N. - 25 001013 074
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

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

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

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

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet. Credit risk also arises through the provision of financial guarantees, as approved at Board level, given to third parties in relation to obligations under its bank bill facility.

The company has no significant concentration of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company. The trade receivables balances at current and prior year end do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

Credit risk related to balances with banks and other financial institutions is managed by the Board of Directors in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-.

Price Risk

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

NOTE 16 - Company Details

The Registered Office and Principal Place of Business of the company is:

Manly- Warringah Master Builders' Club Ltd
18 Fisher Road
Dee Why SW 2099

The accompanying notes form part of this financial report

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD
A.R.N. - 25 001013 074
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 17 - Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

During the year, Philip O'Leary provided building services to the Club amounting to \$8,699 and a company related to Leigh Hammond provided building services to the Club amounting to \$13,346.

NOTE 18 - Members' Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the Memorandum of Association states that each member, or within one year thereafter, is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the company.

NOTE 19 - 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:

	2011	2010
Cash	79,209	79,209
Cash at Bank	83,304	10,441
	162,513	89,650

(b) Reconciliation of Cash from Operations with Profit

Profit (Loss) After Income Tax	(33,635)	60,535
Non-Cash Flows in Profit:		
Depreciation	238,705	224,486
(Increase)Decrease in Sundry Debtors	3,249	3,626
(Increase)Decrease in Stock on Hand	(6,258)	(2,719)
(Increase)Decrease in Prepayments & Deposits	481	(1,273)
Increase(Decrease) in Trade Creditors	6,943	(45,025)
Increase(Decrease) in Sundry Creditors	(15,867)	34,663
Increase(Decrease) in Other Provisions	13,354	(19,692)
Net Cash provided by Operating Activities	206,972	254,601

The accompanying notes form part of this financial report

MANLY -WARRINGAH MASTER BUILDERS' CLUB LTD

A.B.N. - 25 001013 074

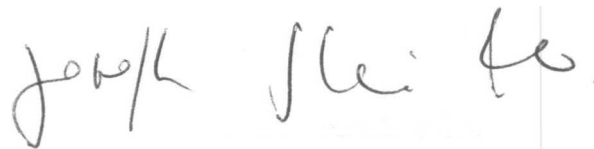
INFORMATION FOR THE DIRECTORS
ON THE 2011 FINANCIAL REPORT

ADDITIONAL INFORMATION

The Bar Trading Statement, Catering Trading Statement, Poker Machine Operating Statement and the Detailed Profit and Loss Statement contained in the following three pages for the year ended 30 June 20] 1 have been prepared from accounting and other records of Manly-Warringah Master Builders' Club Ltd and have been subjected to the tests and other auditing procedures applied in my examination of the financial report for the year ended 30 June 2011.

The Bar Trading Statement, Catering Trading Statement, Poker Machine Operating Statement and the Detailed Profit and Loss Statement do not form part of the financial report in respect of the year ended 30 June 2011, referred to in my report to members and accordingly I do not express an audit opinion thereon.

Joseph Shamia & Co.
Chartered Accountants



Joseph Shamia
Registered Company Auditor

Suite 1,307-317 Condamine Street, Manly Vale NSW 2093

Dated thisP 'day of September 2011

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD

A.B.N. - 25 001 013 074

TRADING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2011

2010

SALES

Catering	479,488	573,958
Poker Machines	988,665	1,061,621
Bar	1,014,720	1,045,051
	<hr/>	<hr/>
	2,482,873	2,680,630

LESS COST OF SALES

Bar - Opening Stock	21,457	14,946
Catering - Opening Stock	9,255	8,941
Bar - Purchases	427,825	445,386
Catering - Purchases	239,835	319,324
	<hr/>	<hr/>
	698,372	788,597
Bar - Closing Stock	27,674	21,457
Catering - Closing Stock	9,296	9,255
	<hr/>	<hr/>
	661,402	757,885
	<hr/>	<hr/>
	1,821,471	1,922,745

LESS OTHER OPERATING EXPENSES

Poker Machines - Duty (Less Rebate)	45,249	57,425
Poker Machines - Repairs & Maintenance	19,690	20,037
Poker Machines - Data Monitoring Service	11,641	10,225
Bar - Wages	368,737	357,067
Bar - Sundry Expenses (Bar Plant, Glass Replacement)	15,392	13,637
Catering - Wages	259,600	268,827
Catering - Sundry Expenses (Replace Crockery, Cutlery etc)	28,615	34,276
	<hr/>	<hr/>
	748,924	761,494
 GROSS TRADING PROFIT	 1,072,547	 1,161,251

The accompanying notes form part of this financial report

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD**A.B.N. - 25 001 013 074****PROFIT AND LOSS STATEMENT****FOR THE YEAR ENDED 30 JUNE 2011**

	2010	
INCOME		
Gross Trading Profit	1,072,547	1,161,251
Interest Received	7	404
Members' Subscriptions	19,284	5,090
Commission and Sundry Income	99,388	97,887
Rental Income	204,452	177,324
TOTAL INCOME	1,395,678	1,441,956
LESS EXPENDITURE		
Advertising	29,006	32,429
Auditors Remuneration	28,060	33,923
Bank & Credit Card Charges	4,490	4,700
Bookkeeping Fees	8,784	6,822
Cleaning & Waste Removal	42,372	41,428
Depreciation	238,705	224,486
Directors Expenses	14,607	14,106
Directors Honorarium	9,000	9,000
Donations & Sponsorships	13,437	14,549
Electricity & Gas	70,799	65,717
General Expenses	11,277	13,036
Insurance	75,740	68,521
Interest Paid	48,092	48,876
Legal Fees		6,235
Members' Card Keys		2,198
Office Equipment Rental and Computer Expenses	11,281	8,008
Payroll Tax	9,885	16,939
Printing, Postage & Stationery	17,576	16,116
Provision for Employee Entitlements	13,353	11,371
Rates	14,758	23,848
Rental Expenses	63,023	52,960
Repairs & Maintenance	84,607	67,518
Security Costs	51,825	44,686
Social Functions, Promotions & Entertainment	239,356	238,015
Staff Training, Welfare & Uniforms	38,217	31,031
Superannuation	78,813	65,528
Telephone	11,477	13,111
Wages - Administration	160,002	168,160
TOTAL EXPENDITURE	1,388,542	1,343,317
NET OPERATING PROFIT (LOSS) BEFORE INCOME TAX	7,136	98,639

The accompanying notes form part of this financial report

MANLY-WARRINGAH MASTER BUILDERS' CLUB LTD

A.R.N. - 25 001 013 074

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

		2010
Income Tax Expense	40,771	38,104
NET OPERATING PROFIT (LOSS) AFTER INCOME TAX	<u>(33,635)</u>	<u>60,535</u>
NET OPERATING PROFIT (LOSS) AFTER INCOME TAX	(33,635)	60,535
Retained profits at the beginning of the financial year	3,824,865	3,764,330
TOTAL AVAILABLE FOR APPROPRIATION	3,791,230	3,824,865
RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR	3,791,230	3,824,865

The accompanying notes form part of this financial report

