

Bathurst RSL Club Limited

ABN: 66 001 031 947

Financial Statements

For the Year Ended 31 March 2017

Bathurst RSL Club Limited

ABN: 66 001 031 947

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For the Year Ended 31 March 2017

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Bathurst RSL Club Limited

ABN: 66 001 031 947

Directors' Report For the Year Ended 31 March 2017

The directors present their report on Bathurst RSL Club Limited for the financial year ended 31 March 2017.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Ian Maxwell Miller

Occupation/Qualifications Retired Storeman

Experience 13 years

Ronald Laurence Hollebone

Occupation/Qualifications Salvation Army Chaplain

Experience 11 years

Coral Hart Miller

Occupation/Qualifications Retired Insurance Broker

Experience 3 years

Brett David Kenworthy

Occupation/Qualifications Executive Secretary

Experience 5 years

Leslie Anderson

Occupation/Qualifications Retired Senior Technical Officer

Experience 4 years

Henry Robertson

Occupation/Qualifications Retired Process Manager

Experience 3 years

Paul Hennessy

Occupation/Qualifications Retiree/Carer

Experience 3 years

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

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

Peter Sargent (General Manager) has been the Company Secretary since 20 February 2012 and remains in this position as at the end of the financial reporting period.

Bathurst RSL Club Limited

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Directors' Report For the Year Ended 31 March 2017

1. General information

Principal activities

The principal activity of Bathurst RSL Club Limited during the financial year was that of a licensed club, providing a range of functions, food, beverage, sporting, family, outdoor and gaming facilities to its patrons.

No significant changes in the nature of the Club's activity occurred during the financial year.

Short term objectives

The Club's short term objectives are to:

- Maintain and / or modernise the Club's premises;
- Provide the best possible hospitality services to members and the local community; and
- Ensure ongoing profitability of the Club to secure its financial future.

Long term objectives

The Club's long term objectives are to:

- Increase the participation level of the Club's members;
- Be an "employer of choice" in the Bathurst region;
- Maintain a financially healthy business;
- Actively manage the Bathurst RSL image in the community; and
- Plan for the continued development and future expansion of the Club.

Strategy for achieving the objectives

To achieve these objectives, the Club has adopted the following strategies:

- Market the Club and its facilities through social media, radio, television, electronic and print media;
- Create a safe and family friendly Club environment through ongoing diversification;
- Upgrade technology and systems;
- Further develop a finance plan;
- Further develop and improve on the membership base;
- Improve Club facilities;
- Benchmark the industry; and
- Continued support to sponsored community, cultural and sporting organisations to improve patronage of the Club.

Core and non core property

In accordance with Section 41J of the Registered Clubs Act, the Club's property assets are classified as follows:

- Core property - The land and building upon which the Club's licensed premises are located at 114 Rankin Street, Bathurst NSW.
- Non core property - The residential properties including land owned by the Club located at 241 Russell Street, 243 Russell Street and 247 Russell Street, Bathurst NSW.

Bathurst RSL Club Limited

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Directors' Report For the Year Ended 31 March 2017

1. General information

Members guarantee

Bathurst RSL Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 2 for members, subject to the provisions of the Club's constitution.

At 31 March 2017 the collective liability of members was \$ 27,500 (2016: \$ 23,994).

Meetings of directors

During the financial year, 14 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Ian Maxwell Miller	13	13
Ronald Laurence Hollebhone	13	13
Coral Hart Miller	13	13
Brett David Kenworthy	13	10
Leslie Anderson	13	10
Henry Robertson	13	8
Paul Hennessy	13	13


Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 March 2017 has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:

Ian Maxwell Miller

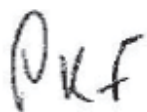
Director:

Henry Robertson

Dated: 1 June 2017

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Bathurst RSL Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2017, 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.



PKF
Chartered Accountants

Date: 1 June 2017

Sydney



CLAYTON HICKEY
Partner

Bathurst RSL Club Limited

ABN: 66 001 031 947

Statement of Cash Flows For the Year Ended 31 March 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	16,326,120	15,075,460
Payments to suppliers and employees	(14,452,288)	(13,509,307)
Interest received	61,755	73,164
Interest paid	(83,062)	(104,400)
Receipt from grants	125,000	-
Net cash provided by/(used in) operating activities	<u>1,977,525</u>	<u>1,534,917</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	95,604	76,805
Purchase of property, plant and equipment	(1,035,145)	(1,963,049)
Net cash used by investing activities	<u>(939,541)</u>	<u>(1,886,244)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	-	1,038,741
Repayment of borrowings	(864,559)	(721,312)
Net cash used by financing activities	<u>(864,559)</u>	<u>317,429</u>
Net increase/(decrease) in cash and cash equivalents held	173,425	(33,898)
Cash and cash equivalents at beginning of year	<u>1,042,929</u>	<u>1,076,827</u>
Cash and cash equivalents at end of financial year	7 <u>1,216,354</u>	<u>1,042,929</u>

The accompanying notes form part of these financial statements.

Bathurst RSL Club Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 March 2017

	Note	2017 \$	2016 \$
Revenue	4	14,941,757	13,857,863
Cost of goods sold	5	(2,666,473)	(2,278,607)
Employee benefits expense	5	(5,055,697)	(4,708,297)
Depreciation and amortisation expense	5	(1,150,017)	(1,192,584)
Advertising and promotions		(1,005,958)	(951,039)
Poker machine duty		(1,703,601)	(1,675,520)
Insurance		(173,677)	(171,004)
Gaming machine expense		(203,350)	(164,802)
Rates and utilities		(412,294)	(412,281)
Repairs and maintenance		(295,501)	(297,388)
Members amenities		(635,654)	(507,086)
Consulting and professional fees		(66,474)	(59,270)
Donations and sponsorship		(205,527)	(200,154)
Other expenses		(546,534)	(508,973)
Finance costs	5	(83,062)	(104,400)
Profit before income tax		737,938	626,458
Income tax expense	6	58,910	(80,285)
Profit for the year		796,848	546,173
Other comprehensive income		-	-
Total comprehensive income for the year		796,848	546,173

The accompanying notes form part of these financial statements.

Bathurst RSL Club Limited

ABN: 66 001 031 947

Statement of Financial Position As At 31 March 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,216,354	1,042,929
Trade and other receivables	8	58,115	87,870
Inventories	9	137,927	136,353
Other financial assets	10	2,013,972	2,116,774
Other assets	14	52,192	108,022
TOTAL CURRENT ASSETS		<u>3,478,560</u>	<u>3,491,948</u>
NON-CURRENT ASSETS			
Property, plant and equipment	11	6,019,680	6,149,652
Investment property	12	1,050,000	1,000,000
Deferred tax assets	18	388,262	230,277
Intangible assets	13	726,202	726,202
TOTAL NON-CURRENT ASSETS		<u>8,184,144</u>	<u>8,106,131</u>
TOTAL ASSETS		<u>11,662,704</u>	<u>11,598,079</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	539,447	481,563
Borrowings	16	605,043	720,861
Current tax liabilities	18	4,228	-
Employee benefits	19	651,486	637,049
Other liabilities	17	249,826	142,656
TOTAL CURRENT LIABILITIES		<u>2,050,030</u>	<u>1,982,129</u>
NON-CURRENT LIABILITIES			
Borrowings	16	426,158	1,277,702
Deferred tax liabilities	18	137,455	42,608
Employee benefits	19	50,736	94,163
TOTAL NON-CURRENT LIABILITIES		<u>614,349</u>	<u>1,414,473</u>
TOTAL LIABILITIES		<u>2,664,379</u>	<u>3,396,602</u>
NET ASSETS		<u>8,998,325</u>	<u>8,201,477</u>
EQUITY			
Retained earnings		<u>8,998,325</u>	<u>8,201,477</u>
TOTAL EQUITY		<u>8,998,325</u>	<u>8,201,477</u>

The accompanying notes form part of these financial statements.

Bathurst RSL Club Limited

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Statement of Changes in Equity For the Year Ended 31 March 2017

	Retained Earnings	Total
	\$	\$
Balance at April 1, 2016	8,201,477	8,201,477
Profit for the year	796,848	796,848
Balance at 31 March 2017	8,998,325	8,998,325
Balance at April 1, 2015	7,655,304	7,655,304
Profit for the year	546,173	546,173
Balance at 31 March 2016	8,201,477	8,201,477

The accompanying notes form part of these financial statements.

Bathurst RSL Club Limited

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Notes to the Financial Statements

For the Year Ended 31 March 2017

The financial report covers Bathurst RSL Club Limited as an individual entity. Bathurst RSL Club Limited is an unlisted, public company limited by guarantee, incorporated in Australia.

Note 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

Note 2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Club and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates. All revenue is stated net of the amount of goods and services tax (GST).

Gaming Revenue

Gaming machine revenue is recognised on an accrual basis calculated as net of gaming machine collections and payouts, less any costs associated with future jackpot contributions.

Sale of Goods - Beverage and Catering

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when the risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Rental Income

Investment property income is recognised on a straightline basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight-line basis over the financial year.

Promotions

Promotions income is recognised at the point of sale in relation to ticketed events as this corresponds to the transfer of significant risks and rewards of ownership.

(b) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Notes to the Financial Statements

For the Year Ended 31 March 2017

Note 2 Summary of Significant Accounting Policies

(b) Goods and services tax (GST)

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified as operating cash flows.

(c) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting year. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

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

(d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(f) Property, plant and equipment

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

Under the cost model, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Notes to the Financial Statements

For the Year Ended 31 March 2017

Note 2 Summary of Significant Accounting Policies

(f) Property, plant and equipment

Land and buildings

Land and buildings are measured on a cost basis less accumulated depreciation and impairment losses for buildings.

Plant and equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

Plant and equipment - capital work in progress

The cost of fixed assets constructed within the Club includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Club, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	10 years
Plant and Equipment	2-10 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

(g) Investment property

Investment property is held to generate long-term rental yields and/or for capital appreciation. All tenant leases are on an arm's length basis. Investment property is carried at fair value determined by the current market values. Changes to fair value are recorded in the statement of profit or loss and other comprehensive income and as other income/expenses.

(h) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for foods and services received by the Club 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.

Notes to the Financial Statements

For the Year Ended 31 March 2017

Note 2 Summary of Significant Accounting Policies

(i) Leases

Finance leases

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

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts 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.

(j) Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Club becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Impairment of financial assets

At the end of the reporting period the Club assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(k) Impairment of non-financial assets

At the end of each reporting year, the Club reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Value in use is either the discounted cash flows relating to the asset or depreciated replacement cost if the criteria in AASB 136 'Impairment of Assets' are met. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Club estimates the recoverable amount of the cash generating unit to which the asset belongs.

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.

Notes to the Financial Statements

For the Year Ended 31 March 2017

Note 2 Summary of Significant Accounting Policies

(l) Intangible assets - poker machine entitlements

Poker machine entitlements are initially recorded at cost. Poker machine entitlements have indefinite life and are tested annually for impairment and are carried at cost less any accumulated amortisation and impairment losses.

(m) Employee benefits

Provision is made for the Club'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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period 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 satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(n) Adoption of new and revised accounting standards

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors do not expect the adoption of these standards to have any impact on the reported position or performance of the club.

Note 3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - fair value of investment property

The Club has three investment properties in place which have all been subject to independent valuations as follows:

241 Russell Street was independently valued at 10 November 2014 by Opeton Property Group. The valuation resulted in a revaluation increment of \$95,000 being recognised in the prior financial year.

243 Russell Street was independently valued at 24 February 2015 by Opeton Property Group. The valuation resulted in a revaluation increment of \$20,000 being recognised in the prior financial year.

247 Russell Street was independently valued at 21 March 2017 by Opeton Property. The valuation resulted in a revaluation increment of \$50,000 being recognised in the year ended 31 March 2017.

All valuations were based on the market value. The critical assumptions adopted in determining the valuations included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties.

At 31 March 2017, the directors assessed the market value of investment property having regard for changes in the value in the local property market. The directors have reviewed the key assumptions adopted by the valuers and do not believe there has been a significant change in the assumptions. The directors therefore believe the carrying value of the investment properties currently reflects the fair value at 31 March 2017.

Bathurst RSL Club Limited

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Notes to the Financial Statements For the Year Ended 31 March 2017

Note 3 Critical Accounting Estimates and Judgments

Key estimates - impairment of intangible assets

The recoverable amount of intangible assets was assessed by reference to the intangibles value in use. Value in use is calculated based on the present value of cash flow projections over a 5 year period. The cash flows are discounted using a rate of 15%. Management believes that any reasonable possible change in key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount of intangible assets to exceed its recoverable amount. The assumptions used in the discounted cash flow model are tested against a sensitivity model (+/- 5%).

Key estimates - useful life of the Club premises

During the year the directors have assessed the useful life of the Club premises. The Club premises are deemed to have a useful life of 10 years.

The asset is being depreciated on a straight line basis over its useful life. The directors of the Club review the useful life annually to ensure it's in line with the club's strategic plan and the current condition of the Club premises.

Note 4 Revenue and Other Income

	2017	2016
	\$	\$
Sales revenue		
- Beverage	2,097,890	2,028,536
- Catering	3,545,175	2,870,450
- Gaming Revenue	8,261,737	8,130,133
- Promotions	412,007	364,710
- TAB and Keno Commissions	144,746	125,521
- Gaming Tax Rebate	32,784	17,180
- Member Subscriptions	126,301	77,150
	<u>14,620,640</u>	<u>13,613,680</u>
Other revenue		
- Interest Received	61,755	73,164
- Rent Received	42,866	35,963
- Insurance Recoveries	976	602
- Revaluation of investment properties	50,000	-
- Sundry income	165,520	134,454
	<u>321,117</u>	<u>244,183</u>
Total Revenue	<u><u>14,941,757</u></u>	<u><u>13,857,863</u></u>

Bathurst RSL Club Limited

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Notes to the Financial Statements For the Year Ended 31 March 2017

	2017	2016
	\$	\$

Note 5 Result for the Year

Depreciation		
Depreciation - buildings	521,161	418,686
Depreciation - plant and equipment	628,856	736,495
Impairment - plant and equipment	-	37,403
Total Depreciation	<u>1,150,017</u>	<u>1,192,584</u>
Cost of goods sold	2,666,473	2,278,607
Finance costs	83,062	104,400
Employee benefits expense	<u>5,055,697</u>	<u>4,708,297</u>

Note 6 Income Tax Expense

(a) The major components of tax expense (income) comprise:

Current tax expense		
Local income tax	4,228	-
Deferred tax expense/ (benefit)	(63,138)	80,285
Income tax expense	<u>(58,910)</u>	<u>80,285</u>

(b) Reconciliation of income tax to accounting profit:

Prima facie tax payable on profit from ordinary activities before income tax at 30% (2016: 30%)	221,381	187,939
Add:		
Tax effect of:		
- Net income/(loss) and expenditure items relating to member activities	(270,401)	(63,804)
- Tax losses recouped	(9,890)	(43,850)
Income tax expense/ (benefit)	<u>(58,910)</u>	<u>80,285</u>

Note 7 Cash and Cash Equivalents

Cash on hand	199,000	204,000
Bank balances	1,017,354	838,929
	<u>1,216,354</u>	<u>1,042,929</u>

Note 8 Trade and Other Receivables

CURRENT		
Trade and other receivables (cost)	<u>58,115</u>	<u>87,870</u>

Note 9 Inventories

CURRENT

Bathurst RSL Club Limited

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Notes to the Financial Statements For the Year Ended 31 March 2017

	2017	2016
	\$	\$
Note 9 Inventories		
At cost:		
Beverage and catering stock	<u>137,927</u>	136,353
Note 10 Other financial assets		
CURRENT		
Held-to-maturity financial assets	<u>2,013,972</u>	2,116,774
Note 11 Property, plant and equipment		
LAND AND BUILDINGS		
Freehold land		
At cost	<u>1,862,400</u>	1,862,400
Buildings		
At cost	4,246,214	4,156,698
Accumulated depreciation	<u>(1,317,068)</u>	(795,908)
Total buildings	<u>2,929,146</u>	3,360,790
Total land and buildings	<u>4,791,546</u>	5,223,190
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	<u>12,000</u>	-
Plant and equipment		
At cost	6,206,956	5,749,083
Accumulated depreciation	<u>(4,930,335)</u>	(4,762,134)
Accumulated impairment losses	<u>(60,487)</u>	(60,487)
Total plant and equipment	<u>1,216,134</u>	926,462
Total property, plant and equipment	<u>6,019,680</u>	6,149,652

Bathurst RSL Club Limited

ABN: 66 001 031 947

Notes to the Financial Statements For the Year Ended 31 March 2017

2017
\$

2016
\$

Note 11 Property, plant and equipment

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Capital Works in Progress	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$	\$
Year ended 31 March 2017					
Balance at the beginning of the year	-	1,862,400	3,360,790	926,462	6,149,652
Additions	12,000	-	89,516	933,629	1,035,145
Disposals	-	-	-	(15,100)	(15,100)
Depreciation	-	-	(521,160)	(628,857)	(1,150,017)
Balance at the end of the year	12,000	1,862,400	2,929,146	1,216,134	6,019,680

Note 12 Investment Property

Balance at beginning of year	1,000,000	1,000,000
Fair value adjustments	50,000	-
Balance at end of year	1,050,000	1,000,000

The fair value model is applied to investment properties. Fair value of investment properties is determined on a continuing basis. Values are based on an active liquid market value and were performed by registered independent valuers. A director's valuation is performed in periods where no independent valuers assessment is obtained, with no impairment noted.

247 Russell Street was independently valued at 21 March 2017 by Opeton Property. The valuation resulted in a revaluation increment of \$50,000 being recognised in the year ended 31 March 2017.

The investment properties owned by the club are listed as follows:

- 241 Russell Street, Bathurst
- 243 Russell Street, Bathurst
- 247 Russell Street, Bathurst

Note 13 Intangible Assets

Poker machine entitlements		
Cost	726,202	726,202

Bathurst RSL Club Limited

ABN: 66 001 031 947

Notes to the Financial Statements For the Year Ended 31 March 2017

	2017	2016
	\$	\$
Note 14 Other Assets		
CURRENT		
Prepayments	36,614	42,597
Other assets	15,578	65,425
	<u>52,192</u>	<u>108,022</u>
Note 15 Trade and other payables		
CURRENT		
Trade payables	113,984	90,138
Other payables	425,463	391,425
	<u>539,447</u>	<u>481,563</u>
Note 16 Borrowings		
CURRENT		
Secured liabilities:		
Market rate facility	-	109,560
Finance lease obligation	5,043	11,301
Bank loans	600,000	600,000
	<u>605,043</u>	<u>720,861</u>
NON-CURRENT		
Secured liabilities:		
Finance lease obligation	-	1,544
Bank loans	426,158	1,276,158
	<u>426,158</u>	<u>1,277,702</u>

The bank loan facility provided by the National Australia Bank is secured by a fixed and floating charge over all of the present and future rights, property and undertaking of Bathurst RSL Club Limited and registered mortgages over the following properties:

- 114 Rankin Street, Bathurst
- 241 Russell Street Bathurst
- 243 Russell Street Bathurst
- 247 Russell Street Bathurst

Leased liabilities are secured by the underlying leased assets.

Bathurst RSL Club Limited

ABN: 66 001 031 947

Notes to the Financial Statements For the Year Ended 31 March 2017

	2017	2016
	\$	\$
Note 17 Other liabilities		
CURRENT		
Member subscriptions in advance	110,854	128,684
Other liabilities	13,972	13,972
Deferred income	125,000	-
	<u>249,826</u>	<u>142,656</u>
Note 18 Tax		
(a) Current tax liabilities		
Income tax payable	4,228	-
(b) Recognised as deferred tax assets and liabilities		
Deferred tax assets	388,262	230,277
Deferred tax liabilities	(137,455)	(42,608)
Note 19 Provisions		
CURRENT		
Employee entitlements	651,486	637,049
NON-CURRENT		
Employee entitlements	50,736	94,163

Bathurst RSL Club Limited

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Notes to the Financial Statements For the Year Ended 31 March 2017

	2017	2016
	\$	\$
20 Capital and Leasing Commitments		
(a) Finance leases		
Minimum lease payments:		
- not later than one year	-	11,301
- between one year and five years	5,043	1,544
Minimum lease payments	<u>5,043</u>	<u>12,845</u>
(b) Operating leases		
Minimum lease payments:		
- not later than one year	18,650	-
- between one year and five years	65,276	-
	<u>83,926</u>	<u>-</u>
At 6 October 2016 the Club entered into a non-cancellable operating lease with Cashpoint Payment Solutions in respect of the cash management system.		
(c) Capital expenditure commitments		
Capital expenditure commitments contracted for:		
- Club Kitchen expansion	<u>358,407</u>	<u>-</u>

21 Members' Guarantee

The Club is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Club 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 Club. At 31 March 2017 the number of members was 12,850 (2016: 11,997).

22 Key Management Personnel Disclosures

The total remuneration paid to the key management personnel of Bathurst RSL Club Limited during the year was \$308,913 (2016 : \$290,079).

23 Contingencies

In the opinion of the Directors, the Club did not have any contingencies at 31 March 2017 (March 31, 2016:None).

24 Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties except for butcher shop sales at cost.

25 Events after the end of the Reporting Period

The financial report was authorised for issue on 1 June 2017 by the Board of Directors.

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

Bathurst RSL Club Limited

ABN: 66 001 031 947

Directors' Declaration

The directors of the Club declare that:

1. The financial statements and notes, as set out on pages 5 - 20, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 31 March 2017 and of the performance for the year ended on that date of the Club.
2. In the directors' opinion, there are reasonable grounds to believe that the Club 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 

Ian Maxwell Miller

Director 

Henry Robertson

Dated: 1 June 2017

Independent Audit Report to the members of Bathurst RSL Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Bathurst RSL Club Limited, which comprises the statement of financial position as at 31 March 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Bathurst RSL Club Limited is in accordance with the Corporations Act 2001, including:

- i). giving a true and fair view of the Club's financial position as at 31 March 2017 and its financial performance for the year ended; and
- ii). complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

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

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Bathurst RSL Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Independent Audit Report to the members of Bathurst RSL Club Limited

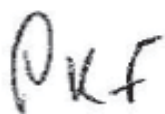
Responsibilities of Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.



PKF
Chartered Accountants



CLAYTON HICKEY
Partner

Date: 1 June 2017

Sydney