



# **Bathurst RSL Club Limited**

ABN: 66 001 031 947

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AUSTRALIA

## **Financial Statements**

For the year ended 31 March 2018

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**Bathurst RSL Club Limited**

ABN: 66 001 031 947

**DIRECTORS' REPORT**

**For the Year Ended 31 March 2018**

The directors present their report on Bathurst RSL Club Limited for the financial year ended 31 March 2018.

**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  
Experience

Retired Storeman  
14 years

**Ronald Laurence Hollebone**

Occupation/Qualifications  
Experience

Salvation Army Chaplain  
12 years

**Coral Hart Miller**

Occupation/Qualifications  
Experience

Retired Insurance Broker  
4 years

**Brett David Kenworthy**

Occupation/Qualifications  
Experience

Executive Secretary  
6 years

**Leslie Anderson**

Occupation/Qualifications  
Experience

Retired Senior Technical Officer  
5 years

**Henry Robertson**

Occupation/Qualifications  
Experience

Retired Process Manager  
4 years

**Paul Hennessy**

Occupation/Qualifications  
Experience

Retiree/Carer  
4 years

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

**Bathurst RSL Club Limited**

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**DIRECTORS' REPORT**

**For the Year Ended 31 March 2018**

**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.

**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 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.

## Bathurst RSL Club Limited

ABN: 66 001 031 947

### DIRECTORS' REPORT

For the Year Ended 31 March 2018

#### 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** - Consists of the residential properties (including land owned by the Club) located at 241 Russell Street, 243 Russell Street and 247 Russell Street, Bathurst NSW. Also includes tenanted commercial property located at 106 Rankin Street, Bathurst NSW.

#### 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 2018 the collective liability of members was \$ 31,392 (2017: \$ 27,500).

#### Meetings of directors

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number attended	Number eligible to attend
Ian Maxwell Miller	13	13
Ronald Laurence Hollebone	13	13
Coral Hart Miller	13	13
Brett David Kenworthy	11	13
Leslie Anderson	13	13
Henry Robertson	11	13
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 2018 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

Date: 12 June 2018

**Bathurst RSL Club Limited**

ABN: 66 001 031 947

**AUDITORS INDEPENDENCE DECLARATION UNDER  
SECTION 307C OF THE CORPORATIONS ACT 2001**



I declare that, to the best of my knowledge and belief, during the year ended 31 March 2018, 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.

A handwritten signature of the auditor, which appears to be 'PKF' in a cursive, stylized script.

**PKF**

Chartered Accountants

A handwritten signature of Clayton Hickey, written in a cursive script.

**CLAYTON HICKEY**

Partner

**12 June 2018**

**Newcastle, NSW**

**Bathurst RSL Club Limited**

ABN: 66 001 031 947

**STATEMENT OF CASH FLOWS****For the Year Ended 31 March 2018**

	Note	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		16,778,378	16,326,120
Payments to suppliers and employees		(14,496,843)	(14,452,288)
Interest received		59,057	61,755
Interest paid		(60,637)	(83,062)
Receipt from grants		125,000	125,000
Net cash provided by/(used in) operating activities		<u>2,404,955</u>	<u>1,977,525</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from sale of plant and equipment		33,320	95,604
Purchase of property, plant and equipment		(1,321,315)	(1,035,145)
Purchase of investment properties		(2,802,950)	-
Purchase of intangible assets		(41,567)	-
Proceeds from commercial investment property		40,000	-
Net cash used by investing activities		<u>(4,092,512)</u>	<u>(939,541)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from borrowings		2,438,512	-
Repayment of borrowings		(925,013)	(864,559)
Net cash used by financing activities		<u>1,513,499</u>	<u>(864,559)</u>
Net increase/(decrease) in cash and cash equivalents held		(174,058)	173,425
Cash and cash equivalents at beginning of year		<u>1,216,354</u>	<u>1,042,929</u>
Cash and cash equivalents at end of financial year	7	<u>1,042,296</u>	<u>1,216,354</u>

**Bathurst RSL Club Limited**

ABN: 66 001 031 947

**STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME****For the Year Ended 31 March 2018**

		2018	2017
	Note	\$	\$
Revenue	4	15,601,963	14,941,757
Cost of goods sold	5	(2,752,389)	(2,666,473)
Employee benefits expense	5	(5,362,985)	(5,055,697)
Depreciation and amortisation expense	5	(1,268,969)	(1,150,017)
Advertising and promotions		(874,630)	(1,005,958)
Poker machine duty		(1,782,592)	(1,703,601)
Insurance		(163,206)	(173,677)
Gaming machine expense		(195,262)	(203,350)
Rates and utilities		(423,004)	(412,294)
Repairs and maintenance		(309,529)	(295,501)
Members amenities		(696,001)	(635,654)
Consulting and professional fees		(82,356)	(66,474)
Donations and sponsorship		(237,303)	(205,527)
Other expenses		(560,189)	(546,534)
Finance costs	5	(60,637)	(83,062)
<b>Profit before income tax</b>		<b>832,911</b>	<b>737,938</b>
Income tax benefit	6	89,385	58,910
<b>Profit for the year</b>		<b>922,296</b>	<b>796,848</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>922,296</b>	<b>796,848</b>



**Bathurst RSL Club Limited**

ABN: 66 001 031 947

**STATEMENT OF FINANCIAL POSITION****For the Year Ended 31 March 2018**

		2018	2017
	Note	\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	1,042,296	1,216,354
Trade and other receivables	8	49,535	58,115
Inventories	9	156,874	137,927
Other financial assets	10	2,038,388	2,013,972
Other assets	14	45,475	52,192
<b>TOTAL CURRENT ASSETS</b>		<b>3,332,568</b>	<b>3,478,560</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	5,968,642	6,019,680
Investment property	12	3,852,950	1,050,000
Deferred tax assets	18	484,591	388,262
Intangible assets	13	767,769	726,202
<b>TOTAL NON-CURRENT ASSETS</b>		<b>11,073,952</b>	<b>8,184,144</b>
<b>TOTAL ASSETS</b>		<b>14,406,520</b>	<b>11,662,704</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	691,313	539,447
Borrowings	16	846,378	605,043
Current tax liabilities	18	428	4,228
Employee benefits	19	625,039	651,486
Other liabilities	17	125,827	249,826
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,288,985</b>	<b>2,050,030</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	16	1,990,000	426,158
Deferred tax liabilities	18	145,058	137,455
Employee benefits	19	61,856	50,736
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,196,914</b>	<b>614,349</b>
<b>TOTAL LIABILITIES</b>		<b>4,485,899</b>	<b>2,664,379</b>
<b>NET ASSETS</b>		<b>9,920,621</b>	<b>8,998,325</b>
<b>EQUITY</b>			
Retained earnings		9,920,621	8,998,325
<b>TOTAL EQUITY</b>		<b>9,920,621</b>	<b>8,998,325</b>

**Bathurst RSL Club Limited**

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**STATEMENT OF CHANGES IN EQUITY**

**For the Year Ended 31 March 2018**

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at April 1, 2017</b>	<b>8,998,325</b>	<b>8,998,325</b>
Profit for the year	<b>922,296</b>	<b>922,296</b>
<b>Balance at 31 March 2018</b>	<b>9,920,621</b>	<b>9,920,621</b>
<b>Balance at April 1, 2016</b>	<b>8,201,477</b>	<b>8,201,477</b>
Profit for the year	<b>796,848</b>	<b>796,848</b>
<b>Balance at 31 March 2017</b>	<b>8,998,325</b>	<b>8,998,325</b>

## **Bathurst RSL Club Limited**

ABN: 66 001 031 947

# **NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended 31 March 2018**

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.

**Bathurst RSL Club Limited**

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**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended 31 March 2018**

**(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.

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.

**Bathurst RSL Club Limited**

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**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended 31 March 2018**

**(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.

**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 probable 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:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Buildings	10 years
Plant and Equipment	2-10 years

## **Bathurst RSL Club Limited**

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# **NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended 31 March 2018**

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 goods 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.

### **(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.

**Bathurst RSL Club Limited**

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**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended 31 March 2018**

*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.

**(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.

**Bathurst RSL Club Limited**

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**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended 31 March 2018**

**(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 four 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.

106 Rankin Street was purchased during the year in an arms-length transaction. The value disclosed includes the price of the property and costs incurred as part of the purchase. This is considered to reasonably reflect the fair value of the asset as at 31 March 2018.

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 2018, 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 2018.

**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



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**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended 31 March 2018**

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.

**Bathurst RSL Club Limited**

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**NOTES TO THE FINANCIAL STATEMENTS****For the Year Ended 31 March 2018**

	2018	2017
Note	\$	\$
<b>Note 4 Revenue and Other Income</b>		
Sales revenue		
- Beverage	2,083,255	2,097,890
- Catering	3,747,007	3,545,175
- Gaming Revenue	8,531,722	8,261,737
- Promotions	385,501	412,007
- TAB and Keno Commissions	170,821	144,746
- Gaming Tax Rebate	(1,550)	32,784
- Member Subscriptions	86,117	126,301
	<u>15,002,873</u>	<u>14,620,640</u>
Other revenue		
- Interest Received	59,057	61,755
- Rent Received	74,883	42,866
- Insurance Recoveries	2,608	976
- Revaluation of investment properties	-	50,000
- Sundry income	462,542	165,520
	<u>599,090</u>	<u>321,117</u>
<b>Total Revenue</b>	<u><b>15,601,963</b></u>	<u><b>14,941,757</b></u>

**Note 5 Result for the Year**

## Depreciation

Depreciation - buildings	530,773	521,161
Depreciation - plant and equipment	738,196	628,856
<b>Total Depreciation</b>	<u><b>1,268,969</b></u>	<u><b>1,150,017</b></u>
Cost of goods sold	2,752,389	2,666,473
Finance costs	60,637	83,062

**Note 6 Income Tax Expense**

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

## Current tax expense

Local income tax	3,569	4,228
Overprovision in respect of prior year	(4,228)	-
Deferred tax expense/ (benefit)	(88,726)	(63,138)
<b>Income tax expense/ (benefit)</b>	<u><b>(89,385)</b></u>	<u><b>(58,910)</b></u>

(b) Reconciliation of income tax to accounting profit:

Prima facie tax payable on profit from ordinary activities before income tax at 30% (2017: 30%)	249,873	221,381
---	---------	---------

Add:

Tax effect of:

- Net income/(loss) and expenditure items relating to member activities	(318,628)	(270,401)
- Tax losses recouped	(20,630)	(9,890)
<b>Income tax expense/ (benefit)</b>	<u><b>(89,385)</b></u>	<u><b>(58,910)</b></u>

# Bathurst RSL Club Limited

ABN: 66 001 031 947

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

	Note	2018 \$	2017 \$
<b>Note 7 Cash and Cash Equivalents</b>			
Cash on hand		199,000	199,000
Bank balances		843,296	1,017,354
		<u>1,042,296</u>	<u>1,216,354</u>

### Note 8 Trade and Other Receivables

CURRENT

Trade and other receivables (cost)	49,535	58,115
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### Note 9 Inventories

CURRENT

At cost:

Beverage and catering stock	156,874	137,927
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### Note 10 Other financial assets

CURRENT

Held-to-maturity financial assets	2,038,388	2,013,972
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### Note 11 Property, plant and equipment

LAND AND BUILDINGS

Freehold land

At cost	1,862,400	1,862,400
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Buildings

At cost	4,676,496	4,246,214
---------	-----------	-----------

Accumulated depreciation	(1,834,781)	(1,317,068)
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Total buildings	2,841,715	2,929,146
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Total land and buildings	4,704,115	4,791,546
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PLANT AND EQUIPMENT

Capital works in progress

At cost	-	12,000
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Plant and equipment

At cost	4,095,985	6,206,956
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Accumulated depreciation	(2,770,971)	(4,930,335)
--------------------------	-------------	-------------

Accumulated impairment losses	(60,487)	(60,487)
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Total plant and equipment	1,264,527	1,216,134
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<b>Total property, plant and equipment</b>	<b>5,968,642</b>	<b>6,019,680</b>
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#### (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
	\$	\$	\$	\$	\$
<b>Year ended 31 March 2018</b>					
Balance at the beginning of the year	12,000	1,862,400	2,929,146	1,216,134	6,019,680
Additions	-	-	474,824	846,491	1,321,315
Disposals	(12,000)	-	(31,482)	(59,902)	(103,384)
Depreciation	-	-	(530,773)	(738,196)	(1,268,969)
<b>Balance at the end of the year</b>	<b>-</b>	<b>1,862,400</b>	<b>2,841,715</b>	<b>1,264,527</b>	<b>5,968,642</b>

**Bathurst RSL Club Limited**

ABN: 66 001 031 947

**NOTES TO THE FINANCIAL STATEMENTS****For the Year Ended 31 March 2018**

	2018	2017
Note	\$	\$
<b>Note 12 Investment Property</b>		
Balance at beginning of year	1,050,000	1,000,000
Acquisitions	2,802,950	-
Fair value adjustments	-	50,000
<b>Balance at end of year</b>	<b>3,852,950</b>	<b>1,050,000</b>

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.

The Club acquired an additional investment property at 106 Rankin Street in an arms-length transaction during the period. The value reflected in the above note consists of the purchase price and costs incurred during the transaction. The balance is considered to reflect the fair value of the property at 31 March 2018.

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

241 Russell Street, Bathurst

243 Russell Street, Bathurst

247 Russell Street, Bathurst

106 Rankin Street, Bathurst

**Note 13 Intangible Assets**

Poker machine entitlements

Cost	767,769	726,202
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**Note 14 Other Assets**

CURRENT

Prepayments	31,955	36,614
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Other assets	13,520	15,578
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	45,475	52,192
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**Note 15 Trade and other payables**

CURRENT

Trade payables	216,023	113,984
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Other payables	475,290	425,463
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	691,313	539,447
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**Note 16 Borrowings**

CURRENT

Secured liabilities:

Finance lease obligation	6,378	5,043
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Bank loans	840,000	600,000
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	846,378	605,043
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**Bathurst RSL Club Limited**

ABN: 66 001 031 947

**NOTES TO THE FINANCIAL STATEMENTS****For the Year Ended 31 March 2018**

	2018	2017
Note	\$	\$
NON-CURRENT		
Secured liabilities:		
Bank loans	<u>1,990,000</u>	<u>426,158</u>
	<u>1,990,000</u>	<u>426,158</u>

The bank loan facility was refinanced during the year with the provider changing from the National Australia Bank to the Commonwealth Bank of Australia, and is now secured over 114 Rankin Street property which is the main clubhouse of Bathurst RSL Club Limited.

Finance lease liabilities are secured by the underlying leased assets.

**Note 17 Other liabilities**

CURRENT		
Member subscriptions in advance	111,855	110,854
Other liabilities	13,972	13,972
Deferred income	-	125,000
	<u>125,827</u>	<u>249,826</u>

**Note 18 Tax****(a) Current tax liabilities**

Income tax payable	<u>428</u>	<u>4,228</u>
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**(b) Recognised as deferred tax assets and liabilities**

Deferred tax assets	484,591	388,262
Deferred tax liabilities	<u>(145,058)</u>	<u>(137,455)</u>

**Note 19 Provisions**

CURRENT		
Employee entitlements	<u>625,039</u>	<u>651,486</u>
NON-CURRENT		
Employee entitlements	<u>61,856</u>	<u>50,736</u>

**Note 20 Capital and Leasing Commitments****(a) Finance leases**

Minimum lease payments:		
- between one year and five years	6,378	5,043

**(b) Operating leases**

Minimum lease payments:		
- not later than one year	18,650	18,650
- between one year and five years	<u>46,626</u>	<u>65,276</u>
	<u>65,276</u>	<u>83,926</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>-</u>	<u>358,407</u>

**Bathurst RSL Club Limited**

ABN: 66 001 031 947

**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended 31 March 2018**

**Note 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 2018 the number of members was 15,696 (2017: 12,850).

**Note 22 Key Management Personnel Disclosures**

The total remuneration paid to the key management personnel of Bathurst RSL Club Limited during the year was \$320,493 (2017 : \$308,913).

**Note 23 Contingencies**

In the opinion of the Directors, the Club did not have any contingencies at 31 March 2018 (March 31, 2017:None).

**Note 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.

**Note 25 Events after the end of the Reporting Period**

The financial report was authorised for issue on 12 June 2018 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 2018 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**

Date: 12 June 2018

**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 (the Company), which comprises the statement of financial position as at 31 March 2018, 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 our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 March 2018 and of 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 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 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 the Company, 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 Company 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 Company'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 Company 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

**12 June 2018**

**Newcastle, NSW**

[illegible]



