

**CITY OF NEWCASTLE RSL SUB BRANCH CLUB LIMITED**  
**(ACN 000 956 301)**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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The financial report was authorised for issue by the Directors on 24 September 2018. The Company has the power to amend and re-issue the financial report.

**CITY OF NEWCASTLE RSL SUB BRANCH CLUB LIMITED**  
**(ACN 000 956 301)**

**NOTICE OF ANNUAL GENERAL MEETING**

Members are advised that the Annual General Meeting of the above Club will be held in the Club premises on Sunday 21st October 2018 at 3.00pm.

The business shall be as follows:

1. To confirm the minutes of the previous Annual General Meeting.
2. To receive and consider the Reports of the Board of Directors.
3. To receive and consider the Financial Reports for the year ending 30th June 2018.
4. No Ballot was required this year as per the Constitution.
5. To consider, and if thought fit, to pass the following Ordinary Resolution with such amendment, if any, as shall be determined at the meeting as an ordinary resolution. (Ordinary Resolution 1. Directors Benefits).

Haydn Evans  
President  
18 September 2018

**CITY OF NEWCASTLE RSL SUB BRANCH CLUB LIMITED**  
**(ACN 000 956 301)**

**PRESIDENT'S REPORT**

Financials and Trading figures are not good for this Financial Year and we must prove to the members we can improve.

We have \$200,000 in a Term Deposit and over \$100,000 in the Trading and Business Maximiser Account as at September 2018. We have five (5) poker machine entitlements not in use that we can sell for approximately \$22,000 each. We have recently sold three (3) entitlements for \$66,000 (including gst) this is yet to be paid into the Trading Account.

We have spent over \$200,000 from our reserves i.e Term Deposits in the last year to keep the club afloat and must consider how long can we keep trading.

We have the Super Cars race coming up in November. Last year we took over \$15,000 on the bar for three (3) days with no promotion but this year we are going all out.

We will trade better over the Christmas and New Year period with function. We are trying to attract more patron to use the club with live music nights, poets nights, trivia, inter unit trivia competition. Raffles continue to be well supported, our Jayes \$3,000 travel promotion that was over a three (3) month period was successful with ham raffles over November December to come and add to our raffle income.

The light rail is still an ongoing concern. The losses of the Club that can be attributed to this is approx. 50% of trade. We hope that once the light rail up and operating Club trade will increase. The light rail stops just near the Club.

Haydn Evans  
President  
18 September 2018

**CITY OF NEWCASTLE RSL SUB BRANCH CLUB LIMITED**  
**(ACN 000 956 301)**

**MANAGEMENT REPORT**

**CITY OF NEWCASTLE RSL SUB BRANCH CLUB LIMITED**  
**(ACN 000 956 301)**

**DIRECTORS' REPORT**

Your Directors present their report for the financial year ended 30 June 2018.

**1. Directors**

The names of the Directors in office at the date of this report:

<b>Name</b>	<b>Position</b>	<b>Experience &amp; Qualifications</b>	<b>Years service as a Director</b>
Mr H Evans	President	Retired - Public Servant	6
Mr R McFarlane	Treasurer	Retired - CEO Engineering Company, Sculptor	4
Mr H Hunter	Director	Retired - Fitter/Welder British Army	8
Mr G Atchison	Director	Retired - Marine Engineer	8
Mr F Carter	Director	Retired - Transport Logistics Manager	2
Mr B Ryan	Director	Retired - Painter & Docker	1
Mrs W Goodman	Director	Retired - Registered Nurse, Masters in Health Management	0
Mr S Ferris	Director	Retired - Mechanical Engineer, Cert. in Mechanical Engineering	0
Mr I Bell	Director	Retired - Advertising Sales Representative	0

**2. Activities**

The principal activities of the Company in the course of the financial year ended 30 June 2018 were the running of the Club in accordance with its objectives for the benefit of its members.

**3. Objectives of the Club**

The Club's short and long term objectives are to:

- Provide the best facilities available to members and their guests, including the support of returned service persons.

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

- Maintain and improve existing facilities through funds provided by increasing existing revenue levels.
- Adopt the services of the Club to reflect the requirements of its members.

These strategies are measured through both financial and non-financial key performance indicators that have been developed relevant to the club industry.

**4. Results**

The net result of operations after applicable income tax was a loss of \$299,565 (2017: loss of \$43,148)

**5. Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 7 of the financial report.

DFK Crosbie continues to hold office in accordance with Section 307 of the Corporations Act. The Company may decide to engage the auditor in addition to their statutory audit where the auditor's expertise and experience with the Club is important.

**6. Limited by 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 \$5 each towards meeting any obligations of the Club. At 30 June 2018 the collective liability of members was \$5,925 (2017 \$6,255.)

**CITY OF NEWCASTLE RSL SUB BRANCH CLUB LIMITED**  
**(ACN 000 956 301)**

**DIRECTORS' REPORT**

**7. Indemnifying Officer or Auditor**

Every Officer of the Company (as defined in the Act) and Auditor shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer or Auditor in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted in connection with any application under the Act in which relief is under the Act granted to him by the Court in respect of any negligence, default, breach of any duty or trust.

During the financial year, the Club has paid a premium in respect of a contract of insurance insuring Directors and Officers (including former and future Directors and Officers) against certain liabilities incurred in that capacity. Disclosure of the total amount of premiums and the nature of the liabilities in respect of such insurance is prohibited by the contract of the insurance.

**8. Meeting Attendances**

The number of Board meetings held during the financial year ended 30 June 2018 was 15 Board meetings consisting of 11 monthly meetings and 4 special meetings. The details of each Directors attendances at those meetings is given below:

<u>Director</u>		<u>Monthly</u>	<u>Special</u>	<u>Held Whilst in Office</u>
Mr H Evans		11	4	15
Mr M Murphy	Resigned 19 March 2018	7	2	11
Mr G Hickey	Did not stand at AGM	3	0	4
Mr R McFarlane		9	4	15
Mr H Hunter	Not re-elected at AGM. Re-appointed on 19 March 2018	6	0	8
Mr G Atchison		8	3	15
Mr F Carter	Didn't stand for re-election at AGM	9	0	15
Mr G Linwood	Resigned 1 May 2018	9	1	12
Mr B Ryan	Resigned 9 August 2017	0	0	1
Mrs W Goodman	Appointed at the AGM	6	4	11
Mr S Ferris	Appointed at the AGM	6	4	11
Mr I Bell	Appointed at the AGM	6	3	11

**9. Property Report**

The Club discloses it's "core" and "non-core" properties required under section 41J the Registered Clubs Act 1976 as follows:-

Core Property - Leased premises at 175 Scott Street, Newcastle NSW 2300  
 Non-Core Property - Nil

H Evans - Director



W Goodman - Director



**Date: 27 September 2018**



**AUDITOR'S INDEPENDENCE DECLARATION**  
**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**  
**TO THE DIRECTORS OF**  
**CITY OF NEWCASTLE RSL SUB BRANCH CLUB LIMITED**

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

Shaun Mahony - Partner

DFK Crosbie Partners  
Chartered Accountants

**Date: 27 September 2018**  
**Warabrook**

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A member firm of DFK International a worldwide association of independent accounting firms and business advisers

**Newcastle**

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**CITY OF NEWCASTLE RSL SUB BRANCH CLUB LIMITED**  
**(ACN 000 956 301)**  
**INDEPENDENT AUDIT REPORT TO MEMBERS**

To the Members of City of Newcastle RSL Sub Branch Club Limited

**Report on the Financial Report**

**Opinion**

We have audited the financial report of City of Newcastle RSL Sub Branch Club Limited (the Company), which comprises the statement of financial position as at 30 June 2018 and 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 City of Newcastle RSL Sub Branch Club Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of Company's financial position as at 30 June 2018 and of its financial performance for the year then 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. The other information provided at the date of this report comprises the Presidents Report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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**CITY OF NEWCASTLE RSL SUB BRANCH CLUB LIMITED**  
**(ACN 000 956 301)**  
**INDEPENDENT AUDIT REPORT TO MEMBERS**

**Responsibilities of the Directors for the Financial Report**

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – 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.

*Matters relating to the Electronic Presentation of the Audited Financial Report*

The auditor's report relates to the financial report of City of Newcastle RSL Sub Branch Club Limited for the year ended 30 June 2018 included on the Company's web site. The Company's Directors are responsible for the integrity of the Company's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

**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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our audit report.

Shaun Mahony - Partner

DFK Crosbie Partners  
Chartered Accountants

**Date: 27 September 2018**  
**Warabrook**

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**CITY OF NEWCASTLE RSL SUB BRANCH CLUB LIMITED**  
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**DIRECTORS' DECLARATION**

The Directors of the Company declare that:

- 1 The financial statements and notes, as set out on pages 11 to 20 are in accordance with the Corporations Act 2001 and:
  - (a) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory reporting requirements; and
  - (b) giving a true and fair view of the Company's financial position as at 30 June 2018 and of the performance for the year ended on that date.
- 2 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 and signed for on behalf of the Directors by:

H Evans - Director



W Goodman - Director



**Date: 27 September 2018**

**CITY OF NEWCASTLE RSL SUB BRANCH CLUB LIMITED**  
**(ACN 000 956 301)**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	7	417,114	86,663
Trade and Other Receivables	8	5,675	21,761
Inventories	9	14,384	14,563
Investments	10	-	530,253
Other Assets	11	23,989	28,151
<b>TOTAL CURRENT ASSETS</b>		<b>461,162</b>	<b>681,391</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	12	244,309	323,653
<b>TOTAL NON-CURRENT ASSETS</b>		<b>244,309</b>	<b>323,653</b>
<b>TOTAL ASSETS</b>		<b>705,471</b>	<b>1,005,044</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	13	61,893	63,243
Borrowings	14	17,427	6,441
Provisions	15	19,315	31,099
Other Liabilities	16	2,278	2,864
<b>TOTAL CURRENT LIABILITIES</b>		<b>100,913</b>	<b>103,647</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	15	8,058	5,332
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>8,058</b>	<b>5,332</b>
<b>TOTAL LIABILITIES</b>		<b>108,971</b>	<b>108,979</b>
<b>NET ASSETS</b>		<b>596,500</b>	<b>896,065</b>
<b>MEMBERS' FUNDS</b>			
Accumulated Profits		596,500	896,065
<b>TOTAL MEMBERS' FUNDS</b>		<b>596,500</b>	<b>896,065</b>

To be read in conjunction with the attached notes to the Financial Statements

**CITY OF NEWCASTLE RSL SUB BRANCH CLUB LIMITED**  
**(ACN 000 956 301)**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
Bar Sales		454,471	534,407
Cost of Goods Sold - Bar		205,156	225,534
Bar Gross Profit		<u>249,315</u>	<u>308,873</u>
Poker Machine Net Revenue		377,055	517,327
Keno and Tab Commission		44,875	55,744
Raffle and Bingo Income		72,687	82,460
Total Trading Income		<u>743,932</u>	<u>964,404</u>
<b>Other Income</b>			
Interest Received		5,101	15,700
Other Income		25,442	37,311
		<u>774,475</u>	<u>1,017,415</u>
<b>Less Operating Expenses</b>			
Bar Direct Expenses		161,499	162,199
Poker Machine Direct Expenses		85,255	88,206
TAB and Keno Direct Expenses		58,948	60,720
Raffle and Bingo Direct Expenses		79,785	90,609
Members Amenities		76,802	87,582
Clubhouse		357,260	329,008
Administration		253,618	242,239
Borrowing Costs		873	-
<b>Total Expenses</b>		<u>1,074,040</u>	<u>1,060,563</u>
<b>Net Profit/(Loss) before Income Tax</b>		<u>(299,565)</u>	<u>(43,148)</u>
Income Tax Expense	5	-	-
<b>Net Profit/(Loss) after Income Tax</b>		<u>(299,565)</u>	<u>(43,148)</u>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income / (Loss)</b>		<u>(299,565)</u>	<u>(43,148)</u>

To be read in conjunction with the attached notes to the Financial Statements

**CITY OF NEWCASTLE RSL SUB BRANCH CLUB LIMITED**  
**(ACN 000 956 301)**

**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b>Cash Flows from Operating Activities</b>		
Receipts from Members and Guests	1,093,784	1,123,111
Payments to Suppliers and Employees	(1,305,277)	(1,112,835)
Interest Received	16,314	4,350
Interest Paid	(873)	-
Income Tax Paid / (Received)	-	529
<i>Net Cash Flows provided by (used in)</i> <i>Operating Activities</i>	<u>(196,052)</u>	<u>15,155</u>
<b>Cash Flows from Investing Activities</b>		
Transfers (to) from Investments	530,253	7,667
Payments for Plant and Equipment	(14,736)	(21,583)
Proceeds from Sale of Assets	-	-
<i>Net Cash Flows provided by (used in)</i> <i>Investing Activities</i>	<u>515,517</u>	<u>(13,916)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from Borrowings	29,100	-
Repayments of Borrowings	(18,114)	(23,538)
<i>Net Cash Flows provided by (used in)</i> <i>Financing Activities</i>	<u>10,986</u>	<u>(23,538)</u>
<b><i>Net Increase/(Decrease) in Cash Held</i></b>	330,451	(22,299)
<b>Cash and Cash Equivalents at the Beginning of the Financial Year</b>	<u>86,663</u>	<u>108,962</u>
<b>Cash and Cash Equivalents at the End of the Financial Year</b>	<u><u>417,114</u></u>	<u><u>86,663</u></u>

To be read in conjunction with the attached notes to the Financial Statements

**CITY OF NEWCASTLE RSL SUB BRANCH CLUB LIMITED**  
**(ACN 000 956 301)**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	Accumulated Profits \$	Total \$
<b>Balance 1 July 2016</b>		939,213	939,213
Net profit / (loss) after income tax		(43,148)	(43,148)
<b>Balance 30 June 2017</b>		896,065	896,065
Net profit / (loss) after income tax		(299,565)	(299,565)
<b>Balance 30 June 2018</b>		596,500	596,500

To be read in conjunction with the attached notes to the Financial Statements

**CITY OF NEWCASTLE RSL SUB BRANCH CLUB LIMITED**  
**(ACN 000 956 301)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**1 Statement of Significant Accounting Policies**

**Basis of Preparation**

This financial report is a general purpose financial report that has been prepared in accordance with all Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Company is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report has been prepared on an accruals basis and is based on historical costs. The financial report is presented in Australian Dollars.

The following is a summary of the significant accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**Statement of Compliance**

The financial report complies with Australian Accounting Standards - Reduced Disclosure Standards as issued by the Australian Accounting Standards Board (AASB) being AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

**Income Tax**

Income tax payable is calculated in accordance with the provisions of the Income Tax Assessment Act dealing with the Registered Clubs and Associations.

Deferred Tax Assets and Liabilities are recognised for deductible and temporary differences where considered material. Deferred tax assets in respect of unused tax losses are only recognised to the extent it is probable that a taxable profit will be available against which deductible temporary differences and carried forward tax losses can be utilised if material.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on the tax rates (and tax law) that have been enacted or substantively enacted at the statement of financial position date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

**Inventories**

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

**Trade Debtors and Other Receivables**

Trade debtors are recognised initially at fair value and subsequently measured at amortised cost, less any impairment losses. Trade receivables are due within 30 days from the date of recognition. The recoverability of trade debtors is reviewed regularly, with any uncollectible debts written off.

**Cash and Cash Equivalents**

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the statement of cashflows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**CITY OF NEWCASTLE RSL SUB BRANCH CLUB LIMITED**  
**(ACN 000 956 301)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Property, Plant and Equipment**

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

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Leasehold Improvements	10 to 20 years
Plant and Equipment	3 to 15 years
Poker Machines	4 to 8 years

*Impairment*

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash in flows, the recoverable amount is determined for the cash generating unit in which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the future economic benefits of an asset are not dependant on the asset's ability to generate net cash inflows and if deprived of the asset the Company would replace its remaining future economic benefit, value in use is determined as the depreciated replacement cost of the asset.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income in the administration expense line item.

**Borrowing Costs**

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

**Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales revenue comprises the revenue earned from the provision of products or services to entities outside the Company.

Revenue from membership subscriptions is recognised upon receipt of money for the period in which the membership relates.

Interest income is recognised as it accrues.

Other revenue is recognised as it accrues.

**Employee Benefits**

***Short Term***

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

***Other Long Term***

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage levels and period of service. Discount rates of Australian bond rates matching the estimated future cash outflows have been used.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.



**CITY OF NEWCASTLE RSL SUB BRANCH CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Goods and Services Tax**

Revenues, 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 Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables are stated with the amount of GST included. The amount of GST recoverable or payable to the ATO is included as a current asset or current liability in the statement of financial position. Cash flows are included in the statement of cashflows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from or payable to the ATO are classified as operating cash flows.

**Leases**

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets (finance lease), and operating leases under which the lessor effectively retains all such risks and benefits. Where a non current asset is acquired by means of a finance lease, the minimum lease payments are discounted at the interest rate implicit in the lease. The discounted amount is established as a non current asset at the beginning of the lease term and amortised over its expected economic life. A corresponding liability is also established and each payment is allocated between the principal component and the interest expense. Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly are charged to the statement of profit or loss and other comprehensive income in the periods in which they are incurred.

**Accounts Payable**

Liabilities are recognised for amounts to be paid for goods and services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days.

**Going Concern**

The Company has generated negative operating cashflows of \$196,052 for the year and has recorded an operating loss of \$299,565 in the current year. The Company has been negatively affected by the light rail-construction taking place surrounding the Club. With construction expecting to be completed in November 2018, the Directors believe that patronage will increase again.

The Directors have formed the opinion that the going concern basis is appropriate, given the following:

- a) The Company has a positive working capital position.
- b) The Company has no significant debt other than trade creditors and an insurance loan.
- c) The Company has an Asset Finance Leasing facility of \$200,000 which is unused at year end.
- d) The Company has no significant contingent liabilities or commitments at year end.
- e) The Company has a term deposit of \$200,000 which can be utilised to cover costs in the short term.
- f) The Company has 5 Poker Machine Entitlements which could be sold to generate cash flow.
- g) The Company is more actively marketing the Club on social media in order to increase patronage.
- h) The Company expects to continue to receive support from its financiers and suppliers.
- i) The Directors' consider that trading conditions will improve, while continued controlling of costs is also anticipated.

**2 Significant Accounting Judgements, Estimates and Assumptions**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Significant accounting estimates and assumptions**

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

**Useful lives of property, plant and equipment**

The useful life of Property, Plant and Equipment is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence.

**3 Other Information**

The Club, being a Company Limited by Guarantee, has its principal place of business at 175 Scott Street, Newcastle East NSW 2300.

**CITY OF NEWCASTLE RSL SUB BRANCH CLUB LIMITED**  
**(ACN 000 956 301)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b>4 Operating Revenue</b>		
Bar Sales	454,471	534,407
Poker Machine Net Revenue	377,055	517,327
Keno and TAB Commission	44,875	55,744
Raffle & Bingo Sales	72,687	82,460
Interest Received	5,101	15,700
Other	25,442	37,311
Total	979,631	1,242,949
<b>5 Income Tax Expense</b>		
a) The aggregate amount of income tax attributable to the financial year differs to the amount calculated on the operating profit. The difference is reconciled as follows:-		
Operating profit/(loss) before income tax	(299,565)	(43,148)
Income Tax thereon @ 27.5%	(82,380)	(11,866)
Apportionment Adjustment Members Income and Expenses	36,022	1,191
Timing Differences	1,816	(1,135)
Income tax benefit not recognised in current year	44,542	11,810
Income Tax Expense/(Benefit)	-	-
b) The Directors estimate that the potential Deferred Tax Asset at 30 June 2018 in respect of tax losses not brought into account is:-		
	64,809	20,267
The benefit for tax losses will only be obtained if:-		
i) the Company drives future assessable income in the nature and of amount sufficient to enable the benefit from deductions for the losses to be realised;		
ii) the Company continues to comply with the conditions for deductibility imposed by the tax legislation; and		
iii) no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the losses.		
<b>6 Operating Profit</b>		
Operating profit/(loss) before income tax is arrived at after crediting and charging the following specific items:-		
<b>Credits</b>		
Interest Received/Receivable	5,101	15,700
<b>Charges</b>		
Interest Paid/Payable	873	-
Loss on Sale of Assets	9,035	397
Depreciation		
- Plant, Poker Machines and Leasehold Improvements	85,045	85,445
Total Depreciation	85,045	85,445
Employee benefits - Wages	363,674	351,712
Superannuation	32,689	31,557
Leave provisions	(9,058)	10,151
	387,305	393,420
<b>7 Cash and Cash Equivalents</b>		
Cash on Hand and at Bank	417,114	86,663
	417,114	86,663
<b>8 Trade and Other Receivables</b>		
<b>Current</b>		
Other Debtors	5,675	21,501
Income Tax Refundable	-	260
	5,675	21,761

**CITY OF NEWCASTLE RSL SUB BRANCH CLUB LIMITED**  
**(ACN 000 956 301)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$		
<b>9 Inventories</b>				
Stock on Hand - Bar	14,384	14,563		
	<u>14,384</u>	<u>14,563</u>		
<b>10 Investments</b>				
Term Deposit > 3 Months	-	530,253		
	<u>-</u>	<u>530,253</u>		
<b>11 Other Assets</b>				
Prepayments	23,989	28,151		
	<u>23,989</u>	<u>28,151</u>		
<b>12 Property, Plant and Equipment</b>				
	Poker Machines	Leasehold Improvements	Plant and Equipment	Total
	\$	\$	\$	\$
<b>Year ended 30 June 2018</b>				
At 1 July 2017,				
Net of Accumulated Depreciation/Amortisation	206,580	32,737	84,336	323,653
Additions	10,000	-	4,736	14,736
Disposals	(9,035)	-	-	(9,035)
Depreciation/Amortisation	(57,583)	(2,712)	(24,750)	(85,045)
At 30 June 2018				
Net of Accumulated Depreciation/Amortisation	<u>149,962</u>	<u>30,025</u>	<u>64,322</u>	<u>244,309</u>
<b>At 1 July 2017</b>				
Cost or Fair Value	412,395	62,764	419,185	894,344
Accumulated Depreciation/Amortisation	(205,815)	(30,027)	(334,849)	(570,691)
Net Carrying Amount	<u>206,580</u>	<u>32,737</u>	<u>84,336</u>	<u>323,653</u>
<b>At 30 June 2018</b>				
Cost or Fair Value	380,695	62,764	423,921	867,380
Accumulated Depreciation/Amortisation	(230,733)	(32,739)	(359,599)	(623,071)
Net Carrying Amount	<u>149,962</u>	<u>30,025</u>	<u>64,322</u>	<u>244,309</u>
<b>13 Trade and Other Payables</b>				
<b>Current</b>				
Trade Creditors		61,893		63,243
		<u>61,893</u>		<u>63,243</u>
<b>14 Borrowings</b>				
<b>Current</b>				
Finance Lease		-		6,441
Insurance Loan		17,427		-
		<u>17,427</u>		<u>6,441</u>
<b>15 Provisions</b>				
<b>Current</b>				
Provision for Annual Leave		9,258		22,036
Provision for Long Service Leave		10,057		9,063
		<u>19,315</u>		<u>31,099</u>
<b>Non Current</b>				
Provision for Long Service Leave		8,058		5,332
		<u>8,058</u>		<u>5,332</u>

**CITY OF NEWCASTLE RSL SUB BRANCH CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

		2018 \$	2017 \$
<b>16 Other Liabilities</b>			
Subscriptions in Advance	2,278	2,864	2,864
	2,278	2,864	2,864

**17 Commitments for Expenditure**

**Capital Commitments**

The Club has no capital commitments as at balance date.

**Lease Commitments**

Total commitments in relation to non-cancellable finance lease agreements are as follows:-

Not later than one year	-	6,441	
Later than one year and not later than five	-	-	
Total Operating Lease Liabilities	-	6,441	

Total commitments in relation to non-cancellable operating lease agreements are as follows:-

Not later than one year	8,074	9,259	
Later than one year and not later than five	14,398	22,063	
Total Operating Lease Liabilities	22,472	31,322	

The Club has an operating lease with City of Newcastle RSL Sub Branch for the Club premises which commenced 1 January 2017 with a monthly rental of \$9,280 (excluding GST) and a term of 5 years with two 5 year option periods.

**18 Contingent Liabilities**

**Bonus Points**

At 30 June 2018, the Club had a contingent liability in relation to bonus points of \$4,454, which may be redeemed by members at any time.

**Bank Guarantee**

The Company has a bank guarantee for \$5,000 issued in favour of TAB Limited. The guarantee is provided by the National Australia Bank.

**19 Related Parties**

**Directors**

The names of persons who were Directors of the Company at any time during the year are as they appear in the attached Directors Report.

**Other**

Details of related party transactions which occurred between the Returned Services League of Australia New South Wales Sub Branch - The City of Newcastle RSL Sub Branch and the Company are set out below:

Rent paid to Sub Branch	111,355	109,864	
Administration Fee from the Sub Branch	6,545	6,545	
	6,545	6,545	

**Key Management Personnel**

The total remuneration paid to key management personnel of the Company during the year was as follows:

Short term employee benefits	58,845	59,499	
Long term employee benefits	1,255	1,175	
Post employment benefits	5,406	5,571	
	65,506	66,245	