

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

A Company Limited by Guarantee and Not Having Share Capital

ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the Forty-Forth Annual General Meeting of the Yass Soldiers' Club Limited will be held at the Registered Office of the Club, 86 Meehan Street, Yass on Thursday, 27th October, 2016 at 7.30pm.

BUSINESS

1. To confirm minutes of previous Annual General Meeting held on 29th October, 2015.
2. To receive, consider and adopt the Reports of the Directors and the Statement of Comprehensive Income for the year ended 30th June, 2016, the Statement of Financial Position at that date and the Auditors' Report thereon.
3. To complete the election of a Committee for the ensuing two years in accordance with the Articles of Association of the Company.
4. To deal with any other business of which due notice has been given.
5. To transact any other business that may be brought forward in accordance with the Articles of Association of the Company.

By order of the Board

Dated at Yass
20th September, 2016.

R. Packwood
Secretary



YASS SOLDIERS' CLUB LIMITED

A.B.N. 44 000 988 152

PRESIDENT'S REPORT

Your club had a profit of \$556,898 which was almost \$100,000 up on last year's result. The capital expenditure figure was \$548,527, whilst the annual building improvements total was \$8,310 and finally the repairs and maintenance total amounted to \$107,252 for the year. We also made almost \$50,000 in donations during the year. We all should be extremely happy with our result this financial year.

This result would not have been achievable without the combination of hard work and your support during the last twelve months.

At this stage I would like to make special thank you to our General Manager, Robert Packwood. Robert has made a tireless effort over the last twelve months to deliver this result. I would like to thank our staff for their efforts during the last twelve months; their efforts go towards making the Club an extremely pleasant place to visit, thank you.

As many of you would be aware the Club decided to take back control of the restaurant several years ago now, and although it has been a battle, the Club has seen huge growth in both sales and patronage during this time. In an effort to further improve the service Management have just procured the services of 2 additional Chefs, one from SA and the other from Darwin, both are due to commence employment shortly which should only go to improve the range and quality of the meals we offer to our members.

Thanks must also be issued to the team on the Board whose broad range of skills, experience and knowledge has only gone to help create an exceptional governing body, one I continue to be very proud to be a part of.

Of course none of this would be possible without the ongoing support and patronage of you the member. Thank you for your contribution, without you we would not be where we are today.

I would also like to remind everyone that the Annual Report is up on the website and hard copies are available from reception.

In closing I would like to once again Thank You and assure you with your continual support your club will continue to grow from strength to strength.

We have a fantastic Club with awesome facilities, so please use it, and let's look forward to another positive year.

President

William Nesbitt

YASS SOLDIERS' CLUB LIMITED
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REPORT OF THE DIRECTORS

Your Directors present their report on the company for the year ended 30th June 2016.

DIRECTORS

The names of the Directors in office at any time during or since the end of the year are:

Mr W J Nesbitt
Mr R G Badger
Mr M P McManus
Mr K J Patrick
Mrs K J Watt

Mr C B Medway
Mr M J Valencic
Mr R Webster
Mr G Prior

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:

Mr Robert Packwood was appointed company secretary on 25th November 2013 on his commencement as General Manager of the Club.

PRINCIPAL ACTIVITIES

The principal activities of the Club for the financial year were those of a Licensed Club and no significant change in the nature of those activities has taken place during that period.

OPERATING RESULTS

The operating profit after income tax amounted to \$ 556,898

DIVIDENDS

By its Memorandum and Articles of Association the Club is not permitted to declare dividends.

REVIEW OF OPERATIONS

The Club's financial statements record a net operating profit before tax of \$556,898 compared with a profit of \$458,047 for the previous year.

During the year the Club incurred capital expenditure on gaming machines including licences and plant and equipment of \$548,527, expenditure on building improvements of \$8,310 and expenditure on repairs and maintenance of \$107,252.

SIGNIFICANT CHANGES

No significant changes in the state of affairs of the Company occurred during the year.

YASS SOLDIERS' CLUB LIMITED
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REPORT OF THE DIRECTORS (CONTINUED)

AFTER BALANCE DATE EVENTS

No matters have arisen since balance date that have or may have significant effect on the operation of the Club, the results of those operations or the state of affairs of the Club in subsequent financial years.

SHORT-TERM AND LONG-TERM OBJECTIVES

The short-term and long-term objectives of the company are to operate a licensed club for the benefit of its members. The company follows industry best practice for the management of the Club's operations, and for reviewing the Club's performance.

CORE AND NON-CORE ASSETS

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 comprising the Club's licensed premises located at 88 Meehan Street, Yass NSW.

Non-core property: The residential property located at 78 Meehan Street, Yass NSW.

INFORMATION ON DIRECTORS

W.J. Nesbitt	President. - Retired. Elected to the Board on 12th November, 1996.
R.G. Badger	Vice President. - Civil Engineer. Elected to the Board on 5th November, 1999.
M.P. McManus	Vice President. - Technical Officer. Elected to the Board on 12th November, 1996.
K.J. Patrick	Retired butcher. Elected to the Board on 12th November, 1996.
K.J. Watt	Manager - Public Service. Elected to the Board on 12th November, 1996.
C.B. Medway	Businessman. Elected to the Board on 1st July, 2008
M.J. Valencic	Accountant. Elected to the Board on 31 October, 2013.
R.P. Webster	Retired Elected to the Board on 18 December, 2014
G.R. Pryor	Bank manager. Elected to the Board on 27 July, 2015

YASS SOLDIERS' CLUB LIMITED
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REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS' MEETING ATTENDANCES

	DIRECTORS' MEETINGS		
	Number eligible to attend	Number attended	Number of apologies
Mr W. J. Nesbitt	12	10	2
Mr. R. G. Badger	12	10	2
Mr M. P. McManus	12	11	1
Mrs K. J. Watt	12	9	3
Mr. C. Medway	12	8	4
Mr K. J. Patrick	12	10	2
Mr M.J. Valencic	12	11	1
Mr R.P. Webster	12	6	6
Mr G.R. Pryor	12	8	4

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration has been received for the year ended 30th June, 2016 and can be found on page 6 of this financial report.

Signed in accordance with a resolution of the directors.

W. J. Nesbitt
Director

Yass
20th September, 2016.

R. G. Badger
Director

**YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152**

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 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.

GREGORY & McCARTHY
Chartered Accountants

75 Lead Street, Yass.
20th September, 2016.

P H Twohill
Partner

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30th June, 2016 and of the performance for the year ended on that date;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a Resolution of the Board of Directors for and on behalf of the directors by:

W. J. Nesbitt
Director

Yass
20th September, 2016.

R. G. Badger
Director

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

IMPORTANT INFORMATION FOR CLUB MEMBERS

The reporting period for the Yass Soldiers' Club Limited (serial number 244504) is year ended 30th June 2016.

1 Important Notes

The Registered Club Act defines top executive as being an employee of the Club with total remuneration exceeding \$100,000.

2 Disclosure of Interests of Directors and Employees in Contracts with the Club

Club members may inspect the original of these disclosures and declarations by making written application to the Secretary.

The Registered Club Act requires directors who have material personal interest in matters that relate to the affairs of the Club to declare the interest at a Board meeting and display the declaration on the Club's notice board.

A contract is any commercial arrangement whether written or not.

In the reporting period there were no occasions when a director reported a material personal interest in a matter that related to the affairs of the Club.

3 Interest in Hotels

Club members may inspect the original of these disclosures and declarations by making written application to the Secretary.

In the reporting period there were nil occasions when directors reported an interest in a hotel in NSW.

In the reporting period there were nil occasions when top executives reported an interest in a hotel in NSW.

4 Gifts to Directors and Staff

Club members may inspect the original of these disclosures and declarations by making written application to the Secretary.

An affiliated body of the Club includes subsidiary clubs, and any body which the Club made a grant to within the previous 12 months.

A gift includes money, hospitality, or discounts.

A gift valued at more than \$500 must be disclosed; gifts from contractors must be disclosed if they total more than \$500 from an individual contractor in the reporting period.

4.1 Directors

In the reporting period there were nil occasions when directors of the Club reported receiving gifts from affiliated bodies.

In the reporting period there were nil occasions when directors of the Club reported receiving gifts from contractors.

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

IMPORTANT INFORMATION FOR CLUB MEMBERS (CONTINUED)

4.2 *Employees*

In the reporting period there were nil occasions when top executives of the Club reported receiving gifts from affiliated bodies.

In the reporting period there were nil occasions when top executives of the Club reported receiving gifts from contractors.

4.3 *Value of Gifts*

The total value of all gifts that directors and top executives received from affiliated bodies in the reporting period was nil.

The total value of all gifts that directors and top executives received from contractors in the reporting period was nil.

5 **Top Executives**

In the reporting period one top executive received total remuneration above \$100,000.

6 **Contracts Approved by the Board**

The Registered Club Act defines a controlled contract as being a Club contract:

- in which a director or top executive has a pecuniary interest;
- of employment of a top executive of the Club;
- for provision of professional advice relating to significant change of management structure or governance of the Club; significant change to the financial management of the Club, disposal of land, and the amalgamation of the Club.

During the reporting period no controlled contracts were approved by the Board that needed to be forwarded to the Director of Liquor and Gaming of which:

- nil such contracts related to contracts in which a director or top executive has a pecuniary interest.
- nil such contracts related to contracts of employment of the Club's top executives.
- nil such contracts related to the provision of professional advice.

These contracts fall into the following categories:

- significant change of management structure or governance of the Club.
- significant changes to the financial management of the Club.
- disposal of Club land.
- amalgamation of the Club.

YASS SOLDIERS' CLUB LIMITED
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IMPORTANT INFORMATION FOR CLUB MEMBERS (CONTINUED)

7 Employees Related to Directors and Top Executives

A close relative is defined in Section 41B of the Registered Club Act and includes the immediate family.

In the reporting period, the Club did not employ any persons who were a close relative of a director or top executive of the Club.

8 Payments to Consultants

During the reporting period there were no instances where the Club engaged a consultant.

9 Details of Settlements Paid by the Club

In the reporting period there were no instances where the Club made a legal settlement with either a director or staff member.

10 Legal Fees Paid by the Club

In the reporting period there were no instances where the Club paid legal fees for directors and employees.

11 Gaming Machine Profit

Gaming machine profit is defined in the Gaming Machines Tax Act.

The reporting period is the financial year ending 30 November 2015 for the purposes of the Act.

The Club recorded a gaming machine profit of \$2,859,066 in the reporting period inclusive of GST.

12 Amount Paid to Community Development

Clubs earning in excess of \$1,000,000 p.a. in gaming machine profit are required to make donations to community development and support.

In the reporting period the Club's donations exceeded the required amount under the community development guidelines.

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
YASS SOLDIERS' CLUB LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Yass Soldiers' Club Limited (the company) which comprises the statement of financial position as at 30th June, 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility 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 is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that independence declaration required by the Corporations Act 2001, which has been given to the directors of Yass Soldiers' Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion, the financial report of Yass Soldiers' Club Limited is in accordance with the Corporations Act 2001, including:-

- (i) giving a true and fair view of the company's financial position as at 30th June, 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

GREGORY & McCARTHY
Chartered Accountants

75 Lead Street, Yass.
20th September, 2016.

P H Twohill
Partner

YASS SOLDIERS' CLUB LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2016

	Note	2016 \$	2015 \$
Revenue from bar trading activities		803,280	728,282
Cost of sales - bar trading		<u>(322,943)</u>	<u>(292,822)</u>
Gross profit - bar trading		480,337	435,460
Gaming machine net takings		2,654,961	2,502,010
Other revenue from ordinary activities		1,257,013	997,152
Gaming machine taxes, license fees and maintenance		(518,673)	(488,724)
Employee expenses		(1,532,058)	(1,315,268)
Depreciation expense		(463,633)	(424,030)
Other expenses		(1,321,049)	(1,248,553)
Profit from ordinary activities before income tax	2	<u>556,898</u>	<u>458,047</u>
Income tax attributable to operating profit	3	<u>-</u>	<u>-</u>
Operating profit after income tax		<u>556,898</u>	<u>458,047</u>

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2016

	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July, 2014	4,778,593	2,385,191	7,163,784
Profit after tax attributable to the entity	458,047	-	458,047
Movement on revaluation on club land & building	-	(545,364)	(545,364)
Balance at 30 June, 2015	<u>5,236,640</u>	<u>1,839,827</u>	<u>7,076,467</u>
Profit after tax attributable to the entity	556,898	-	556,898
Balance at 30 June, 2016	<u>5,793,538</u>	<u>1,839,827</u>	<u>7,633,365</u>

The accompanying notes form part of these financial statements

YASS SOLDIERS' CLUB LIMITED
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STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash	5	2,057,957	1,596,982
Other Debtors and Prepayments	6	6,466	5,000
Income tax receivable		-	19,154
Inventories	7	110,921	72,031
TOTAL CURRENT ASSETS		2,175,344	1,693,167
NON-CURRENT ASSETS			
Property, plant and equipment	10	5,379,416	5,365,412
Investment property	11	353,329	351,236
Intangible Assets	12	219,489	144,272
TOTAL NON-CURRENT ASSETS		5,952,234	5,860,920
TOTAL ASSETS		8,127,578	7,554,087
CURRENT LIABILITIES			
Creditors and borrowings	8	285,804	283,089
Provisions	9	167,921	129,826
TOTAL CURRENT LIABILITIES		453,725	412,915
NON - CURRENT LIABILITIES			
Borrowings	8	34,310	57,183
Provisions	9	6,178	7,522
TOTAL NON - CURRENT LIABILITIES		40,488	64,705
TOTAL LIABILITIES		494,213	477,620
NET ASSETS		\$7,633,365	\$7,076,467
 ACCUMULATED FUNDS		 \$7,633,365	 \$7,076,467

The accompanying notes form part of these financial statements

YASS SOLDIERS' CLUB LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2016

	Note	2016 \$	2015 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members and visitors		5,131,621	4,652,572
Payments to suppliers and employees		(4,110,278)	(3,800,254)
Interest received		19,341	23,180
Net cash provided by operating activities	13	1,040,684	875,498
CASH FLOW FROM INVESTING ACTIVITIES			
Building improvements		(8,310)	(5,935)
Purchase of plant and equipment		(240,166)	(368,495)
Purchase of gaming machines		(229,160)	(116,191)
Purchase of gaming machine entitlements		(75,217)	(144,272)
Purchase of plant - residential property		(3,983)	-
Proceeds from disposal of assets		-	129,190
Net cash used in investing activities		(556,836)	(505,703)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	57,183
Repayment of borrowings		(22,873)	-
Net Cash provided/(used in) financing activities		(22,873)	57,183
NET INCREASE IN CASH HELD		460,975	426,978
CASH AT START OF YEAR		1,596,982	1,170,004
CASH AT END OF YEAR		\$2,057,957	\$1,596,982

The accompanying notes form part of these financial statements

YASS SOLDIERS' CLUB LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2016

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

The financial statements cover Yass Soldiers' Club Limited as an individual entity incorporated and domiciled in Australia. Yass Soldiers' Club Limited is a company limited by guarantee and is a not-for-profit entity.

The financial report is a general purpose report which has been prepared in accordance with the Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001.

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.

(a) Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets for which the fair value basis of accounting has been applied.

(b) Property, Plant and Equipment

Property, plant and equipment are included at cost or at independent valuation. All fixed assets, including buildings but excluding freehold land, are depreciated over their estimated useful lives commencing from the time the asset is held ready for use. The depreciation rates for each class of assets are as follows:

	Depreciation Rate
Buildings	1.50%
Gaming Machines - Poker Machines	25% - 40%
Plant and equipment	15% - 40%

Land and buildings are shown at fair value based on either external valuations or valuation reviews undertaken by the directors to ensure that the carrying value of land and buildings does not exceed fair market values.

(c) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items and application of the mutuality principle. It is calculated using the tax rates that have been enacted by the balance sheet date.

(d) Inventory

Stock on hand is valued at the lower of cost and net realisable value.

(e) Employee Benefits

Provision is made in respect of the Company's liability for annual leave and long service leave including applicable on costs. Long service leave is accrued in respect of employees with more than five years service with the Company.

(f) Superannuation

The Company makes contributions to superannuation funds on behalf of its employees. The company has no legal obligation to cover any shortfall that may occur in the obligation of the funds to provide benefits to employees on retirement.

YASS SOLDIERS' CLUB LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2016

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

(h) Members' Undertaking

The Club was incorporated on 5th April, 1972 and is limited by guarantee. In the event of the company being wound up, every member undertakes to contribute an amount not exceeding Two Dollars(\$2) pursuant to Clause 4 of the Memorandum of Association.

(i) Statement of Cash Flows

For the purpose of the Statement of Cash Flows, cash includes cash on hand and in at call deposits with banks and financial institutions.

(j) Poker Machine Licenses

The Club operates a total of 74 poker machines. Four poker machine entitlements were acquired the current year for a cost of \$75,217 and eight machine entitlements were acquired in 2015. The balance comprising 62 entitlements were acquired at no cost in years subsequent to when the club was established. As no consideration was originally paid, an intangible asset for these 62 licences on hand has not been recognised in the Club's statement of financial position.

Although there is an active market for poker machine entitlements, the market is highly regulated and as such this regulation significantly affects the ability to sell such an asset. If the regulator allows the sale of entitlements the estimated current market value is \$48,000 per lot of 3. Poker machine licenses are not amortised as they have indefinite useful lives.

(k) Comparative amounts

Comparative amounts are reclassified where the presentation or classification of items in the financial statements is changed. In the 2016 financial year the sales for the restaurant were shown as gross sales in Other revenue from ordinary activities. The comparative information was amended to reflect this reclassification.

NOTE 2 - SPECIFIC ITEMS

	2016	2015
Operating profit has been determined after:	\$	\$
(a) Crediting as revenue:		
Sales and other trading revenue	4,661,801	4,180,211
Members subscriptions	24,311	29,463
Rent	13,080	10,469
Interest - other persons	19,341	23,180
Total revenue	\$4,718,533	\$4,243,323

YASS SOLDIERS' CLUB LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2015
	\$	\$
NOTE 2 - SPECIFIC ITEMS - Cont'd		
(b) Charging as expense:		
Depreciation of property, plant and equipment	463,633	424,030
Auditor's remuneration:		
- auditing the accounts	14,900	14,900
- other services; assistance with preparation of financial statements and preparation of income tax return	4,300	8,300
Presidents Honorarium	5,000	5,000
Transfers to/(from) provisions:		
- annual leave and sick leave	39,743	(1,177)
- long service leave	(3,620)	(3,100)

NOTE 3 - INCOME TAX

Income tax expense varies from the prima-facie tax payable on the operating profit before tax. This is due to the application of the mutuality principle of Clubs whereby tax is assessed on net non-member income and net investment income.

Operating profit before income tax	556,898	458,047
Income tax at 30%	167,069	137,414
Tax effect of:		
Net effect of mutuality principle applied in accordance with taxation regulations	(167,069)	(137,414)
Income tax attributable to operating profit	\$ -	\$ -

NOTE 4 - SEGMENT REPORTING

The company's operation involves a single industry segment as a registered club. The operations are confined to the State of New South Wales in Australia.

NOTE 5 - CASH

Cash on hand	90,300	80,300
Cash at bank	420,714	388,774
Interest Bearing Deposits	1,546,943	1,127,908
	\$2,057,957	\$1,596,982

NOTE 6 - OTHER DEBTORS AND PREPAYMENTS

TAB security deposits	5,000	5,000
Other	1,466	-
	\$6,466	\$5,000

NOTE 7 - INVENTORIES

Bar and poker machine prizes	68,743	45,916
Restaurant	42,178	26,115
	\$110,921	\$72,031

YASS SOLDIERS' CLUB LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2015
NOTE 8 - CREDITORS AND BORROWINGS	\$	\$
Current		
Trade creditors	127,102	181,628
Accrued charges	86,074	37,840
GST payable	72,628	63,621
	<u>\$285,804</u>	<u>\$283,089</u>
Non - current		
Aristocrat	34,310	57,183
	<u>\$34,310</u>	<u>\$57,183</u>
	<u>\$34,310</u>	<u>\$57,183</u>
 NOTE 9 - PROVISIONS		
Current		
Annual leave	88,115	48,372
Long service leave	37,629	39,905
Link Jackpot	15,223	15,444
Unearned Income - Subscriptions in advance	19,798	18,949
Unearned Income - Gaming Machine Tax rebate	7,156	7,156
	<u>\$167,921</u>	<u>\$129,826</u>
Non - current		
Long service leave	6,178	7,522
	<u>\$6,178</u>	<u>\$7,522</u>
	<u>\$6,178</u>	<u>\$7,522</u>
 NOTE 10 - PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Freehold Land		
Freehold Land - Independent Valuation - 1 July 2014	982,760	982,760
	<u>982,760</u>	<u>982,760</u>
Buildings - Club		
Buildings - Independent Valuation - 1 July 2014	3,000,000	3,000,000
Buildings - at cost	14,235	5,925
Less: Accumulated depreciation	90,302	45,089
	<u>2,923,933</u>	<u>2,960,836</u>
Plant and equipment		
Plant, equipment and furniture - at cost	5,261,371	4,792,045
Less: Accumulated depreciation	3,788,648	3,370,229
	<u>1,472,723</u>	<u>1,421,816</u>
	<u>\$5,379,416</u>	<u>\$5,365,412</u>

Freehold land and buildings were revalued on 1 July, 2014 based on an independent valuation prepared by Peter Reardon.

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2016

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Movements in Carrying Amounts	Land	Buildings	Plant and Equipment	Total
Balance 1 July, 2014	783,920	3,744,195	1,401,755	5,929,870
Asset Revaluation - 1 July 2014	198,840	(744,205)	-	(545,365)
Additions	-	5,925	484,686	490,611
Disposals	-	-	(85,674)	(85,674)
Depreciation expense	-	(45,089)	(378,941)	(424,030)
Balance 30 June, 2015	<u>982,760</u>	<u>2,960,826</u>	<u>1,421,826</u>	<u>5,365,412</u>
Balance 1 July, 2015	982,760	2,960,826	1,421,826	5,365,412
Additions	-	8,320	469,316	477,636
Disposals	-	-	-	-
Depreciation expense	-	(45,213)	(418,419)	(463,632)
Balance 30 June, 2016	<u>982,760</u>	<u>2,923,933</u>	<u>1,472,723</u>	<u>5,379,416</u>

2016 2015
\$ \$

NOTE 11 - INVESTMENT PROPERTY

Land and building

78 Meehan Street

Buildings - at cost

Improvements and depreciable plant - at cost

Less: Accumulated Depreciation

330,628	330,628
26,866	22,883
(4,165)	(2,275)
<u>\$353,329</u>	<u>\$351,236</u>

The investment property was purchased in 2013 and the market value at 30 June, 2016 is not significantly different to the carrying amount disclosed above.

NOTE 12 - INTANGIBLE ASSETS

Intangible Assets - Gaming Machine Entitlements

Less accumulated amortisation and impairment

219,489	144,272
-	-
<u>\$219,489</u>	<u>\$144,272</u>

**Reconciliation of Intangible Assets -
gaming machine entitlements - at cost**

Balance at beginning of year

Additions

Closing carrying value at 30 June, 2016

144,272	-
75,217	144,272
<u>\$219,489</u>	<u>\$144,272</u>

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2016

NOTE 13 - CASH FLOWS FROM OPERATIONS

Reconciliation of cash flow from operations with operating profit after income tax:

Operating profit after income tax	556,898	458,047
Non-cash items in operating profit		
- depreciation	465,522	425,152
- (profit)/loss on disposal of plant and equipment	-	(43,507)
- provision for annual leave	39,743	(1,177)
- provision for long service leave	(3,620)	(3,100)
- other provisions	(221)	(31,060)
Changes in assets and liabilities relating to operating revenues and expenses		
- decrease / (increase) in sundry debtors and prepayments	17,688	60,816
- decrease / (increase) in inventories	(38,890)	(39,834)
- increase / (decrease) in subscriptions in advance	849	18,949
- increase / (decrease) in GST payable	9,007	13,793
- increase / (decrease) in trade creditors and accruals	(6,291)	17,419
Cash flows from operations	\$1,040,685	\$875,498

NOTE 14 - RELATED PARTY TRANSACTIONS

The names of persons who were directors at any time during the year are set out in the Report of the Directors. No Director receives any remuneration from the Club, with the exception of an honorarium of \$5,000 paid to the Club President.

NOTE 15 - FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The Club's activities expose it to a variety of financial risks including interest rate and liquidity risks. Due to the nature of the Club's investments and other financial instruments it is not exposed to significant financial risks.

(b) Fair Value

The carrying amounts and estimated fair values of financial assets and financial liabilities held at balance date are the same.

(c) Market Risk

The Club's financial assets which are subject to interest rate risk comprise cash on hand, at bank, on call and term deposits which are generally short term and are held to maturity. Therefore the Club does not consider that a change in interest rates would have a significant effect on profit or equity.

(d) Credit Risk

No credit risk exposure exists due to the nature of the Club's activities.

(e) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash or credit facilities to meet the operating requirements of the Club. This is managed through prudent cash flow management and maintenance of significant deposits with banks. The deposits held by the Club include term deposits and deposits at call with Australian banks earning interest at market rates.

The Club's financial liabilities at the reporting date are mainly due within 12 months and therefore discounting is not significant.

**YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152**

**DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2016**

COMPILATION REPORT WITH AUDITED ACCOUNTS

On the basis of information provided by the Yass Soldiers' Club Limited, we have compiled the attached additional financial data for the year ended 30th June, 2016.

Our procedures have included classification and summarisation of information provided to us by the Club to compile this financial data. This additional financial data has been subjected to the auditing procedures applied in our statutory audit of the Club for the twelve months ended 30th June, 2016. It will be appreciated that our statutory audit did not cover all details of the additional financial data.

Neither the firm, nor any member or employee of the firm, undertakes any responsibility or accepts liability in any way whatsoever to any person, other than the Club, in respect of the attached financial data including any errors or omissions however caused.

GREGORY & McCARTHY
Chartered Accountants

75 Lead Street, Yass
20th September, 2016.

P H Twohill
Partner

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2016

	Note	2016 \$	2015 \$
INCOME			
Bar and raffles contribution	A	483,418	428,978
Gaming machine contribution		2,654,961	2,484,830
Gaming machine GST rebate		17,180	17,180
Keno contribution		30,999	19,572
Catering contribution/(deficit)	B	515,184	451,141
Members subscriptions		24,311	29,463
Commission, hire and other		75,119	42,046
Rent (net)		7,452	5,828
Interest		19,341	23,180
		<u>3,827,965</u>	<u>3,502,218</u>
EXPENDITURE			
Administration	C	145,769	168,040
Members	D	233,097	250,029
Occupancy	E	769,980	779,086
Salaries and staff on costs	F	1,532,058	1,315,268
Gaming machine taxes, license fees and maintenance		518,673	488,724
Donations and sponsorship	G	69,704	40,308
Bar sundries		1,786	2,716
		<u>3,271,067</u>	<u>3,044,171</u>
OPERATING PROFIT BEFORE TAX		<u>\$556,898</u>	<u>\$458,047</u>

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2015
	\$	\$
A. BAR & RAFFLES		
Bar sales	803,280	728,282
Less: Cost of sales	322,943	292,822
	480,337	435,460
	59.80%	59.79%
Raffles	101,812	96,305
Less: Cost of sales	98,731	102,787
	3,081	(6,482)
Total Gross Profit	\$483,418	\$428,978
B. CATERING		
Restaurant Sales	980,799	780,758
Less: Cost of Sales	465,615	329,617
Total Gross Profit	\$515,184	\$451,141
C. ADMINISTRATION		
Audit Fees	14,900	14,900
Accountancy	4,300	8,300
Advertising	20,020	51,887
Bank charges	9,905	6,573
Computer support and data processing	10,165	7,123
Finance charges	1,943	971
Printing, postages and stationery	43,717	37,728
Subscriptions	13,366	15,346
Telephone	16,266	15,052
Sundry expenses	11,187	10,160
	\$145,769	\$168,040

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2015
	\$	\$
D. MEMBERS		
Club promotion expenses	159,359	185,520
Entertainment	57,434	54,953
Mortality benefit payments	(49)	250
Other members' expenses	16,353	9,306
	\$233,097	\$250,029
E. CLUB BUILDINGS AND EQUIPMENT EXPENDITURE		
Cleaning and laundry	11,450	52,963
Depreciation - buildings	45,214	45,089
Depreciation - plant and fittings	418,419	378,941
Loss on disposal of plant	-	28,993
Profit on disposal of plant	-	(72,500)
Electricity, gas and heating	103,316	140,908
Insurances	40,343	38,848
Rates	18,569	17,264
Repairs and maintenance	107,252	118,869
Hire of equipment	1,213	8,180
Other expenses	24,204	21,531
	\$769,980	\$779,086
F. SALARIES AND STAFF ON COSTS		
Salaries	1,283,843	1,164,784
Superannuation	116,227	104,486
Payroll tax	32,628	26,819
Provision for annual leave	39,743	(1,177)
Provision for long service leave	(3,620)	(3,100)
Staff uniforms, training and other	31,856	9,175
Workers compensation insurance	31,381	14,281
	\$1,532,058	\$1,315,268
G. DONATIONS AND SPONSORSHIP		
RSL, Community Groups and Individuals	67,204	37,908
Registered Charities	2,500	2,400
	\$69,704	\$40,308