

**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 fifth 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, 26th October, 2017 at 7.30pm.

**BUSINESS**

1. To confirm minutes of previous Annual General Meeting held on 27th October, 2016.
2. To receive, consider and adopt the Reports of the Directors and the Statement of Comprehensive Income for the year ended 30th June, 2017, 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  
25th September, 2017

R. Packwood  
Secretary

## **YASS SOLDIERS CLUB LIMITED**

A.B.N. 44 000 988 152

### **PRESIDENT'S REPORT**

Your club had a profit of \$475,173 this year. The capital expenditure figure was \$1,030,392, whilst the annual building improvements total was \$31,391 and finally the repairs and maintenance total amounted to \$89,096.00.

The benefits returned to members for the year amounted to \$313,191, up over \$80,000 on last year. The Club also invested heavily in new technology, the obvious items were of course the new big screen and the poker machine ticket-in-ticket-out system, however there were less noticeable upgrades including a new back of house computer system and a new till system which have significantly improved productivity.

However, by far the most satisfying aspect of this year's result was whilst revenue did increase we were at the same time able to keep expenses in line with last year by finding additional efficiencies within the business. For the year our donations totalled \$76,912. 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 mention of our General Manager, Robert Packwood, he has made a tireless effort over the last twelve months to deliver this result, with the support of his team.

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.

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 am very proud to be a part of.

After over 20 years on the Board Keith Patrick retired in July and Andrew Douglas was elected to the Board. Andrew brings to the position a wealth of business experience and knowledge gained over many years and has quickly become a key member of the team. I would like to thank Keith for the time and effort he put into the Board.

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. 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.

Bill Nesbitt – President

4<sup>th</sup> September 2017

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

**REPORT OF THE DIRECTORS**

Your Directors present their report on the company for the year ended 30th June 2017.

**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 M J Valencic
Mr R G Badger	Mr R Webster
Mr M P McManus	Mr G Pryor
Mr C B Medway	Mr K J Patrick
Mrs K J Watt	Mr A J B Douglas (appointed July, 2017)

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 \$ 475,175

**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 \$475,175 compared with a profit of \$556,898 for the previous year.

During the year the Club incurred capital expenditure on gaming machines including licences and plant and equipment of \$1,030,392, expenditure on building improvements of \$31,391 and expenditure on repairs and maintenance of \$89,096

**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
A. J. B. Douglas	Pharmacist. Appointed July, 2017.

**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	12	-
Mr. R. G. Badger	12	8	4
Mr M. P. McManus	12	7	5
Mr K. J. Patrick	12	5	7
Mrs K. J. Watt	12	10	2
Mr. C. Medway	12	8	4
Mr M.J. Valencic	12	11	1
Mr R.P. Webster	12	11	1
Mr G.R. Pryor	12	7	5

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration has been received for the year ended 30th June, 2017 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  
25th September, 2017

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 2017 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**GREGORY & McCARTHY**  
Chartered Accountants

75 Lead Street, Yass.  
25th September, 2017

P H Twohill  
Partner

**YASS SOLDIERS' CLUB LIMITED**  
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**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, 2017 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  
25th September, 2017

R. G. Badger  
Director

**YASS SOLDIERS' CLUB LIMITED**  
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**IMPORTANT INFORMATION FOR CLUB MEMBERS**

The reporting period for the Yass Soldiers' Club Limited (serial number 244504) is year ended 30th June 2017.

**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**  
**A.B.N. 44 000 988 152**

**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 2016 for the purposes of the Act.

The Club recorded a gaming machine profit of \$2,820,968 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**

**Opinion**

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, 2017, 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.

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, 2017 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.

**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.

**Information Other than the Financial Report and Auditor's Report Thereon**

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 2017, but does not include the financial report and our auditor's report thereon. 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.

**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.

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 Responsibility 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **GREGORY & McCARTHY**

Chartered Accountants

P H Twohill  
Partner

75 Lead Street, Yass.  
25th September, 2017

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

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	Note	2017 \$	2016 \$
Revenue from bar trading, raffles and restaurant		2,044,116	1,885,891
Cost of sales		<u>(917,503)</u>	<u>(887,289)</u>
Gross profit - bar trading and restaurant		1,126,613	998,602
Gaming machine net takings		2,734,601	2,654,961
Other revenue from ordinary activities		192,648	174,402
Other income; profit on disposal of plant		104,592	-
Gaming machine taxes, license fees and maintenance		(555,150)	(518,673)
Employee expenses		(1,591,253)	(1,532,058)
Depreciation expense		(612,674)	(463,633)
Member expenses		(311,510)	(233,097)
Other operating expenses		(612,692)	(523,606)
Profit from ordinary activities before income tax	2	<u>475,175</u>	<u>556,898</u>
Income tax attributable to operating profit	3	<u>-</u>	<u>-</u>
<b>Operating profit after income tax</b>		<b><u>475,175</u></b>	<b><u>556,898</u></b>

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July, 2015	5,236,640	1,839,827	7,076,467
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>
Profit after tax attributable to the entity	475,175	-	475,175
Balance at 30 June, 2017	<b><u>6,268,713</u></b>	<b><u>1,839,827</u></b>	<b><u>8,108,540</u></b>

*The accompanying notes form part of these financial statements*

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

**STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2017**

	Note	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash	5	2,094,167	2,057,957
Other Debtors and Prepayments	6	30,950	6,466
Inventories	7	130,048	110,921
<b>TOTAL CURRENT ASSETS</b>		<u>2,255,165</u>	<u>2,175,344</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	5,784,045	5,379,416
Investment property	11	351,520	353,329
Intangible Assets	12	219,489	219,489
<b>TOTAL NON-CURRENT ASSETS</b>		<u>6,355,054</u>	<u>5,952,234</u>
<b>TOTAL ASSETS</b>		<u><b>8,610,219</b></u>	<u><b>8,127,578</b></u>
<b>CURRENT LIABILITIES</b>			
Creditors and borrowings	8	285,306	285,804
Provisions	9	201,506	167,921
<b>TOTAL CURRENT LIABILITIES</b>		<u>486,812</u>	<u>453,725</u>
<b>NON - CURRENT LIABILITIES</b>			
Borrowings	8	11,436	34,310
Provisions	9	3,431	6,178
<b>TOTAL NON - CURRENT LIABILITIES</b>		<u>14,867</u>	<u>40,488</u>
<b>TOTAL LIABILITIES</b>		<u><b>501,679</b></u>	<u><b>494,213</b></u>
<b>NET ASSETS</b>		<u><b>\$8,108,540</b></u>	<u><b>\$7,633,365</b></u>
 <b>ACCUMULATED FUNDS</b>		 <u><b>\$8,108,540</b></u>	 <u><b>\$7,633,365</b></u>

*The accompanying notes form part of these financial statements*

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	Note	2017 \$	2016 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from members and visitors		5,402,370	5,131,621
Payments to suppliers and employees		(4,469,698)	(4,110,278)
Interest received		37,166	19,341
Net cash provided by operating activities	13	969,838	1,040,684
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Building improvements		(31,391)	(8,310)
Purchase of plant and equipment		(211,244)	(240,166)
Purchase of gaming machines		(819,148)	(229,160)
Purchase of gaming machine entitlements		-	(75,217)
Purchase of plant - residential property		-	(3,983)
Proceeds from disposal of assets		151,030	-
Net cash used in investing activities		(910,753)	(556,836)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(22,874)	(22,873)
Net Cash provided/(used in) financing activities		(22,874)	(22,873)
<b>NET INCREASE IN CASH HELD</b>		36,211	460,975
<b>CASH AT START OF YEAR</b>		2,057,957	1,596,982
<b>CASH AT END OF YEAR</b>		<b>\$2,094,168</b>	<b>\$2,057,957</b>

*The accompanying notes form part of these financial statements*

**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 2017**

**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**  
**A.B.N. 44 000 988 152**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**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 previous 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 \$61,000 per lot of 3. Poker machine licenses are not amortised as they have indefinite useful lives.

**NOTE 2 - SPECIFIC ITEMS**

	2017	2016
Operating profit has been determined after:	\$	\$
<b>(a) Crediting as revenue:</b>		
Sales and other trading revenue	4,918,133	4,678,981
Members subscriptions	20,143	24,311
Rent	14,167	13,080
Interest - other persons	37,165	19,341
Total revenue	\$4,989,608	\$4,735,713
Other income		
Profit on sale of plant and equipment	104,592	-
Total other income	\$104,592	\$ -

**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 2017**

	2017	2016
	\$	\$
<b>NOTE 2 - SPECIFIC ITEMS - Cont'd</b>		
(b) Charging as expense:		
Depreciation of property, plant and equipment	612,674	463,633
Auditor's remuneration:		
- auditing the accounts	15,000	14,900
- other services; assistance with preparation of financial statements and preparation of income tax return	6,000	4,300
Presidents Honorarium	5,000	5,000
Transfers to/(from) provisions:		
- annual leave and sick leave	40,446	39,743
- long service leave	2,424	(3,620)

**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	475,175	556,898
Income tax at 30%	142,552	167,069
Tax effect of:		
Net effect of mutuality principle applied in accordance with taxation regulations and tax losses.	(136,285)	(162,099)
Tax effect of tax losses	6,267	4,970
Income tax attributable to operating profit	<u>\$ -</u>	<u>\$ -</u>

The Club reported carried forward tax losses in its tax return of : \$79,847 \$100,736  
These losses have not been recognised as an asset due to uncertainty of future use.

**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	135,300	90,300
Cash at bank	488,440	420,714
Interest Bearing Deposits	1,470,427	1,546,943
	<u>\$2,094,167</u>	<u>\$2,057,957</u>

**NOTE 6 - OTHER DEBTORS AND PREPAYMENTS**

TAB security deposits	5,000	5,000
Interest accrual	13,824	-
Catering functions	7,843	-
ILG Shares	750	
Other	3,533	1,466
	<u>\$30,950</u>	<u>\$6,466</u>

**NOTE 7 - INVENTORIES**

Bar inventories and poker machine prizes	85,906	68,743
Restaurant	44,142	42,178
	<u>\$130,048</u>	<u>\$110,921</u>

**YASS SOLDIERS' CLUB LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	2017	2016
	\$	\$
<b>NOTE 8 - CREDITORS AND BORROWINGS</b>		
<b>Current</b>		
Trade creditors	184,716	127,102
Accrued charges	14,071	86,074
GST payable	96,300	72,628
GST adjustment	(9,781)	-
	<u>\$285,306</u>	<u>\$285,804</u>
<b>Non - current</b>		
Aristocrat	11,436	34,310
	<u>\$11,436</u>	<u>\$34,310</u>
<b>NOTE 9 - PROVISIONS</b>		
<b>Current</b>		
Annual leave	118,617	88,115
Long service leave	41,097	37,629
Link Jackpot	6,339	15,223
Unearned Income - Subscriptions in advance	28,296	19,798
Unearned Income - Gaming Machine Tax rebate	7,157	7,156
	<u>\$201,506</u>	<u>\$167,921</u>
<b>Non - current</b>		
Long service leave	3,431	6,178
	<u>\$3,431</u>	<u>\$6,178</u>
<b>NOTE 10 - PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Land and buildings</b>		
<b>Freehold Land</b>		
Freehold Land - Independent Valuation - 1 July 2014	982,760	982,760
<b>Buildings - Club</b>		
Buildings - Independent Valuation - 1 July 2014	3,000,000	3,000,000
Buildings - at cost	45,626	14,235
Less: Accumulated depreciation	135,986	90,302
	<u>2,909,640</u>	<u>2,923,933</u>
<b>Plant and equipment</b>		
Plant, equipment and furniture - at cost	6,021,494	5,261,371
Less: Accumulated depreciation	4,129,849	3,788,648
	<u>1,891,645</u>	<u>1,472,723</u>
	<u>\$5,784,045</u>	<u>\$5,379,416</u>

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

**YASS SOLDIERS' CLUB LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

Movements in Carrying Amounts	Land	Buildings	Plant and Equipment	Total
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>
Balance 1 July, 2016	982,760	2,923,933	1,472,723	5,379,416
Additions	-	31,391	1,030,393	1,061,784
Disposals	-	-	(46,441)	(46,441)
Depreciation expense	-	(45,684)	(565,030)	(610,714)
Balance 30 June, 2017	<u>982,760</u>	<u>2,909,640</u>	<u>1,891,645</u>	<u>5,784,045</u>

2017  
\$                      2016  
\$

**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	26,866
(5,974)	(4,165)
<u>\$351,520</u>	<u>\$353,329</u>

The investment property was purchased in 2013 and the market value at 30 June, 2017 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	219,489
-	-
<u>\$219,489</u>	<u>\$219,489</u>

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

Balance at beginning of year

Additions

Closing carrying value at 30 June, 2017

219,489	144,272
-	75,217
<u>\$219,489</u>	<u>\$219,489</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 2017**

**NOTE 13 - CASH FLOWS FROM OPERATIONS**

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

<b>Operating profit after income tax</b>	475,175	556,898
Non-cash items in operating profit		
- depreciation	612,526	465,522
- (profit)/loss on disposal of plant and equipment	(104,593)	-
- provision for annual leave	40,446	39,743
- provision for long service leave	2,424	(3,620)
- other provisions	(3,534)	(221)
Changes in assets and liabilities relating to operating revenues and expenses		
- decrease / (increase) in sundry debtors and prepayments	(24,484)	17,688
- decrease / (increase) in inventories	(19,127)	(38,890)
- increase / (decrease) in subscriptions in advance	8,498	849
- increase / (decrease) in GST payable	23,672	9,007
- increase / (decrease) in trade creditors and accruals	(24,165)	(6,292)
<b>Cash flows from operations</b>	<b>\$986,838</b>	<b>\$1,040,684</b>

**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 annual 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 2017**

**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, 2017.

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, 2017. 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  
25th September, 2017

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 2017**

	Note	2017 \$	2016 \$
<b>INCOME</b>			
Bar and raffles contribution	A	563,696	483,418
Gaming machine contribution		2,734,601	2,654,961
Gaming machine GST rebate		17,180	17,180
Keno contribution		28,927	30,999
Catering contribution	B	562,917	515,184
Members subscriptions		20,143	24,311
Commission, hire and other		77,811	75,119
Rent (net)		11,422	7,452
Profit on sale of plant, poker machines and games		104,592	-
Interest		37,165	19,341
		<u>4,158,454</u>	<u>3,827,965</u>
 <b>EXPENDITURE</b>			
Administration	C	173,933	145,769
Members	D	311,510	233,097
Occupancy	E	925,381	769,980
Salaries and staff on costs	F	1,591,253	1,532,058
Gaming machine taxes, license fees and maintenance		555,150	518,673
Catering - Other Expenses		46,323	-
Donations and sponsorship	G	76,912	69,704
Bar sundries		2,817	1,786
		<u>3,683,279</u>	<u>3,271,067</u>
 <b>OPERATING PROFIT BEFORE TAX</b>		 <u>\$475,175</u>	 <u>\$556,898</u>

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

**DETAILED PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	2017	2016
	\$	\$
<b>A. BAR &amp; RAFFLES</b>		
Bar sales	872,787	803,280
Less: Cost of sales	<u>336,065</u>	<u>322,943</u>
	<u>536,723</u>	<u>480,337</u>
	61.50%	59.80%
Raffles	121,772	101,812
Less: Cost of sales	<u>94,798</u>	<u>98,731</u>
	<u>26,974</u>	<u>3,081</u>
Total Gross Profit	<u>\$563,696</u>	<u>\$483,418</u>
<b>B. CATERING</b>		
Restaurant Sales	1,049,557	980,799
Less: Cost of Sales	<u>486,640</u>	<u>465,615</u>
Total Gross Profit	<u>\$562,917</u>	<u>\$515,184</u>
	53.63%	52.53%
<b>C. ADMINISTRATION</b>		
Audit Fees	15,000	14,900
Accountancy	6,000	4,300
Advertising	15,183	20,020
Bank charges	8,781	9,905
Computer support and data processing	20,535	10,165
Finance charges	1,942	1,943
Printing, postages and stationery	45,477	43,717
Subscriptions	13,917	13,366
Telephone	14,279	16,266
Sundry expenses; legal fees, director expenses,	<u>32,819</u>	<u>11,187</u>
	<u>\$173,933</u>	<u>\$145,769</u>

**YASS SOLDIERS' CLUB LIMITED**  
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**DETAILED PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	2017	2016
	\$	\$
<b>D. MEMBERS</b>		
Club promotion expenses	229,980	159,359
Entertainment	74,429	57,434
Mortality benefit payments	-	(49)
Other members' expenses	7,101	16,353
	<b>\$311,510</b>	<b>\$233,097</b>
<b>E. CLUB BUILDINGS AND EQUIPMENT EXPENDITURE</b>		
Cleaning and laundry	16,410	11,450
Depreciation - buildings	45,684	45,214
Depreciation - plant and fittings	566,990	418,419
Electricity, gas and heating	140,266	103,316
Insurances	31,085	40,343
Rates	21,418	18,569
Repairs and maintenance	89,096	107,252
Hire of equipment	498	1,213
Other expenses	13,934	24,204
	<b>\$925,381</b>	<b>\$769,980</b>
<b>F. SALARIES AND STAFF ON COSTS</b>		
Salaries	1,335,856	1,283,843
Superannuation	124,326	116,227
Payroll tax	38,660	32,628
Provision for annual leave	40,446	39,743
Provision for long service leave	2,424	(3,620)
Staff uniforms, training and other	19,502	31,856
Workers compensation insurance	30,039	31,381
	<b>\$1,591,253</b>	<b>\$1,532,058</b>
<b>G. DONATIONS AND SPONSORSHIP</b>		
RSL, Community Groups and Individuals	74,412	67,204
Registered Charities	2,500	2,500
	<b>\$76,912</b>	<b>\$69,704</b>