

# **Yass Soldiers' Club Limited**



**Annual Report**

**&**

**Financial Statements**

**2017 - 2018**

**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 sixth 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, 25th October, 2018 at 7.30pm.

**BUSINESS**

1. To confirm minutes of previous Annual General Meeting held on 27th October, 2017.
2. To receive, consider and adopt the Reports of the Directors and the Statement of Comprehensive Income for the year ended 30th June, 2018, 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  
4th September, 2018

R. Packwood  
Secretary

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

Bill Nesbitt  
President

4th September, 2018

**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 2018.

**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 A J B Douglas (appointed 31 July, 2017)
Mrs K J Watt	Mr K J Patrick (retired 31 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 \$ 546,729

**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 \$550,261 compared with a profit of \$475,175 for the previous year.

During the year the Club incurred capital expenditure on gaming machines including licences and plant and equipment of \$1,408,610, expenditure on building improvements of \$46,049 and expenditure on repairs and maintenance of \$75,265.

**SIGNIFICANT CHANGES**

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

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

**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 12 November, 1996.
R.G. Badger	Vice President - Civil Engineer. Elected to the Board on 5 November, 1999.
M.P. McManus	Vice President - Technical Officer. Elected to the Board on 12 November, 1996.
K.J. Watt	Manager - Public Service. Elected to the Board on 12 November, 1996.
C.B. Medway	Businessman. Elected to the Board on 1 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 31 July, 2017.

**YASS SOLDIERS' CLUB LIMITED**

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

**REPORT OF THE DIRECTORS (CONTINUED)**

**DIRECTORS' MEETING ATTENDANCES**

	DIRECTORS' MEETINGS		
	Number eligible to attend	Number attended	Number of apologies
Mr W. J. Nesbitt	13	10	3
Mr. R. G. Badger	13	10	3
Mr M. P. McManus	13	5	8
Mrs K. J. Watt	13	11	2
Mr. C. Medway	13	9	4
Mr M.J. Valencic	13	13	-
Mr R.P. Webster	13	9	4
Mr G.R. Pryor	13	9	4
Mr A.J.B Douglas	13	13	-

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration has been received for the year ended 30th June, 2018 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  
4th September, 2018

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 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.

**GREGORY & McCARTHY**  
Chartered Accountants

75 Lead Street, Yass.  
4th September, 2018

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, 2018 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  
4th September, 2018

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 2018.

**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. Legal fees were paid for 457 visa's for prospective 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 2017 for the purposes of the Act.

The Club recorded a gaming machine profit of \$3,132,094 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, 2018, 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, 2018 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 2018, 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.  
4th September, 2018

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

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

	Note	2018 \$	2017 \$
Revenue from bar trading, raffles and restaurant		2,140,374	2,044,116
Cost of sales		<u>(912,564)</u>	<u>(917,503)</u>
Gross profit - bar trading and restaurant		1,227,810	1,126,613
Gaming machine net takings		2,989,247	2,734,601
Other revenue from ordinary activities		259,322	192,648
Other income; profit on disposal of plant		44,568	104,592
Gaming machine taxes, license fees and maintenance		(589,788)	(555,150)
Employee expenses		(1,748,886)	(1,591,253)
Depreciation expense		(656,987)	(612,674)
Member expenses		(340,923)	(311,510)
Other operating expenses		(634,102)	(612,692)
Profit from ordinary activities before income tax	2	<u>550,261</u>	<u>475,175</u>
Income tax attributable to operating profit	3	<u>3,532</u>	<u>-</u>
<b>Operating profit after income tax</b>		<b><u>546,729</u></b>	<b><u>475,175</u></b>

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

	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July, 2016	5,793,538	1,839,827	7,633,365
Profit after tax attributable to the entity	475,175	-	475,175
Balance at 30 June, 2017	<u>6,268,713</u>	<u>1,839,827</u>	<u>8,108,540</u>
Profit after tax attributable to the entity	546,729	-	546,729
Balance at 30 June, 2018	<b><u>6,815,442</u></b>	<b><u>1,839,827</u></b>	<b><u>8,655,269</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 2018**

	Note	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash	5	2,248,190	2,094,167
Other Debtors and Prepayments	6	37,506	30,950
Inventories	7	123,815	130,048
<b>TOTAL CURRENT ASSETS</b>		<b>2,409,511</b>	<b>2,255,165</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	5,921,630	5,784,045
Investment property	11	350,075	351,520
Intangible Assets	12	799,489	219,489
<b>TOTAL NON-CURRENT ASSETS</b>		<b>7,071,194</b>	<b>6,355,054</b>
<b>TOTAL ASSETS</b>		<b>9,480,705</b>	<b>8,610,219</b>
<b>CURRENT LIABILITIES</b>			
Creditors and borrowings	8	566,930	285,306
Income tax	3	3,532	
Provisions	9	187,084	201,506
<b>TOTAL CURRENT LIABILITIES</b>		<b>757,546</b>	<b>486,812</b>
<b>NON - CURRENT LIABILITIES</b>			
Borrowings	8	67,890	11,436
Provisions	9	-	3,431
<b>TOTAL NON - CURRENT LIABILITIES</b>		<b>67,890</b>	<b>14,867</b>
<b>TOTAL LIABILITIES</b>		<b>825,436</b>	<b>501,679</b>
<b>NET ASSETS</b>		<b>\$8,655,269</b>	<b>\$8,108,540</b>
 <b>ACCUMULATED FUNDS</b>		 <b>\$8,655,269</b>	 <b>\$8,108,540</b>

*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 2018**

	Note	2018 \$	2017 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from members and visitors		5,364,368	5,402,370
Payments to suppliers and employees		(3,985,046)	(4,469,698)
Interest received		46,807	37,166
Net cash provided by operating activities	13	<u>1,426,129</u>	<u>969,838</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Building improvements		-	(31,391)
Building renovations		(46,049)	-
Purchase of plant and equipment		(176,810)	(211,244)
Purchase of gaming machines		(651,800)	(819,148)
Purchase of gaming machine entitlements		(580,000)	-
Proceeds from disposal of assets		126,100	151,130
Net cash used in investing activities		<u>(1,328,559)</u>	<u>(910,653)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from loan - Aristocrat		78,840	-
Repayment of borrowings		(22,388)	(22,874)
Net Cash provided/(used in) financing activities		<u>56,452</u>	<u>(22,874)</u>
<b>NET INCREASE IN CASH HELD</b>		154,022	36,211
<b>CASH AT START OF YEAR</b>		2,094,168	2,057,957
<b>CASH AT END OF YEAR</b>		<u><b>\$2,248,190</b></u>	<u><b>\$2,094,168</b></u>

*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 2018**

**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 2018**

**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 94 poker machines. Twenty machine entitlements were acquired this year for a cost of \$580,000. Four poker machine entitlements were acquired in 2016 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**

	2018	2017
Operating profit has been determined after:	\$	\$
<b>(a) Crediting as revenue:</b>		
Sales and other trading revenue	5,282,932	4,918,133
Members subscriptions	26,882	20,143
Rent	14,305	14,167
Interest - other persons	46,806	37,165
Total revenue	\$5,370,925	\$4,989,608
Other income		
Profit on sale of plant and equipment	44,568	104,592
Total other income	\$44,568	\$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 2018

	2018	2017
	\$	\$
<b>NOTE 2 - SPECIFIC ITEMS - Cont'd</b>		
(b) Charging as expense:		
Depreciation of property, plant and equipment	656,987	612,674
Auditor's remuneration:		
- auditing the accounts	15,000	15,000
- other services; assistance with preparation of financial statements and preparation of income tax return	7,200	6,000
Presidents Honorarium	5,000	5,000
Transfers to/(from) provisions:		
- annual leave and sick leave	2,564	40,446
- long service leave	(17,027)	2,424
<b>NOTE 3 - INCOME TAX</b>		
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	<u>550,261</u>	<u>475,175</u>
Income tax at 27.5%	151,322	142,552
Tax effect of:		
Net effect of mutuality principle applied in accordance with taxation regulations and tax losses.	(129,864)	(134,331)
Tax effect of tax losses	(17,926)	(8,221)
Income tax attributable to operating profit after recoupment of losses	<u>\$ 3,532</u>	<u>\$ -</u>
<b>NOTE 4 - SEGMENT REPORTING</b>		
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.		
<b>NOTE 5 - CASH</b>		
Cash on hand	125,300	135,300
Cash at bank	312,873	488,440
Interest Bearing Deposits	1,810,017	1,470,427
	<u>\$2,248,190</u>	<u>\$2,094,167</u>
<b>NOTE 6 - OTHER DEBTORS AND PREPAYMENTS</b>		
TAB security deposits	5,000	5,000
Interest accrual	18,375	13,824
Catering functions	-	7,843
ILG Shares	750	750
Other	13,381	3,533
	<u>\$37,506</u>	<u>\$30,950</u>
<b>NOTE 7 - INVENTORIES</b>		
Bar inventories and poker machine prizes	85,497	85,906
Restaurant	38,318	44,142
	<u>\$123,815</u>	<u>\$130,048</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 2018**

	2018	2017
<b>NOTE 8 - CREDITORS AND BORROWINGS</b>	\$	\$
<b>Current</b>		
Trade creditors	487,191	184,716
Accrued charges	10,010	14,071
GST payable	69,791	96,300
GST adjustment	(62)	(9,781)
	<u>\$566,930</u>	<u>\$285,306</u>
<b>Non - current</b>		
Aristocrat	67,890	11,436
	<u>\$67,890</u>	<u>\$11,436</u>
<b>NOTE 9 - PROVISIONS</b>		
<b>Current</b>		
Annual leave	121,409	118,617
Long service leave	27,500	41,097
Link Jackpot	7,868	6,339
Unearned Income - Subscriptions in advance	23,150	28,296
Unearned Income - Gaming Machine Tax rebate	7,157	7,157
	<u>\$187,084</u>	<u>\$201,506</u>
<b>Non - current</b>		
Long service leave	-	3,431
	<u>\$ -</u>	<u>\$3,431</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	45,626
Less: Accumulated depreciation	181,671	135,986
	<u>2,863,955</u>	<u>2,909,640</u>
Building Renovations	46,050	-
	<u>2,910,005</u>	<u>2,909,640</u>
<b>Plant and equipment</b>		
Plant, equipment and furniture - at cost	6,503,218	6,021,494
Less: Accumulated depreciation	4,474,353	4,129,849
	<u>2,028,865</u>	<u>1,891,645</u>
	<u>\$5,921,630</u>	<u>\$5,784,045</u>

Freehold land and buildings were revalued on 1 July, 2014 based on an independent valuation prepared by Peter Reardon. The property market in Yass is reasonably stable and revaluations are made every 4 to 5 years in accordance with accounting requirements.

The Club is planning to undertake renovations. Plans have been prepared but no commitment for expenditure has been made at the date of this report.

**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 2018**

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

<b>Movements in Carrying Amounts</b>	<b>Land</b>	<b>Buildings</b>	<b>Plant and Equipment</b>	<b>Total</b>
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>
Balance 1 July, 2017	982,760	2,909,640	1,891,645	5,784,045
Additions	-	46,049	874,623	920,672
Disposals	-	-	(126,100)	(126,100)
Depreciation expense	-	(45,684)	(611,303)	(656,987)
Balance 30 June, 2018	<u>982,760</u>	<u>2,910,005</u>	<u>2,028,865</u>	<u>5,921,630</u>

2018  
\$                      2017  
\$

**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
	(7,419)	(5,974)
	<u>\$350,075</u>	<u>\$351,520</u>

The investment property was purchased in 2013 and the market value at 30 June, 2018 is not significantly different to the carrying amount disclosed above.

**NOTE 12 - INTANGIBLE ASSETS**

Intangible Assets - Gaming Machine Entitlements

Less accumulated amortisation and impairment

	799,489	219,489
	-	-
	<u>\$799,489</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, 2018

	219,489	219,489
	580,000	-
	<u>\$799,489</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 2018**

**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>	546,729	475,175
Non-cash items in operating profit		
- depreciation	656,987	612,526
- (profit)/loss on disposal of plant and equipment	(44,568)	(104,593)
- provision for annual leave	2,792	40,446
- provision for long service leave	(17,028)	2,424
- other provisions	1,529	(3,534)
Changes in assets and liabilities relating to operating revenues and expenses		
- decrease / (increase) in sundry debtors and prepayments	(6,556)	(24,484)
- decrease / (increase) in inventories	6,233	(19,127)
- increase / (decrease) in subscriptions in advance	(5,146)	8,498
- increase / (decrease) in GST payable	(16,790)	(96,300)
- increase / (decrease) in trade creditors and accruals	301,947	78,807
<b>Cash flows from operations</b>	<b>\$1,426,129</b>	<b>\$969,838</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 2018**

**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, 2018.

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, 2018. 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  
4th September, 2018

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 2018**

	Note	2018 \$	2017 \$
<b>INCOME</b>			
Bar and raffles contribution	A	584,022	563,696
Bar rebate		35,720	-
Gaming machine contribution		2,989,247	2,734,601
Gaming machine GST rebate		17,180	17,180
Keno contribution		37,474	28,927
Catering contribution	B	643,788	562,917
Members subscriptions		26,882	20,143
Commission, hire and other		84,747	77,811
Rent (net)		10,513	11,422
Profit on sale of plant, poker machines and games		44,568	104,592
Interest		46,806	37,165
		<u>4,520,947</u>	<u>4,158,454</u>
<b>EXPENDITURE</b>			
Administration	C	210,655	173,933
Members	D	340,923	311,510
Occupancy	E	965,522	925,381
Salaries and staff on costs	F	1,748,886	1,591,253
Gaming machine taxes, license fees and maintenance		589,788	555,150
Catering - Other Expenses		27,132	46,323
Donations and sponsorship	G	83,985	76,912
Bar sundries		3,795	2,817
		<u>3,970,686</u>	<u>3,683,279</u>
<b>OPERATING PROFIT BEFORE TAX</b>		<u>\$550,261</u>	<u>\$475,175</u>



**YASS SOLDIERS' CLUB LIMITED**  
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**DETAILED PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

	2018	2017
	\$	\$
<b>A. BAR &amp; RAFFLES</b>		
Bar sales	887,534	872,787
Less: Cost of sales	335,235	336,065
	552,299	536,723
	62.23%	61.50%
Raffles	120,945	121,772
Less: Cost of sales	89,222	94,798
	31,723	26,974
Total Gross Profit	\$584,022	\$563,696
<b>B. CATERING</b>		
Restaurant Sales	1,131,895	1,049,557
Less: Cost of Sales	488,107	486,640
	\$643,788	\$562,917
	56.88%	53.63%
<b>C. ADMINISTRATION</b>		
Audit Fees	15,000	15,000
Accountancy	7,200	6,000
Advertising	8,535	15,183
Bank charges	8,653	8,781
Computer support and data processing	35,989	20,535
Finance charges	972	1,942
Printing, postages and stationery	38,637	45,477
Subscriptions	23,294	13,917
Telephone	17,838	14,279
Other expenses; legal fees, recruiting, audit, directors	54,537	32,819
	\$210,655	\$173,933

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

**DETAILED PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

	2018	2017
	\$	\$
<b>D. MEMBERS</b>		
Club promotion expenses	257,756	229,980
Entertainment	75,310	74,429
Other members' expenses	7,857	7,101
	<b>\$340,923</b>	<b>\$311,510</b>
<b>E. CLUB BUILDINGS AND EQUIPMENT EXPENDITURE</b>		
Cleaning and laundry	14,141	16,410
Depreciation - buildings	45,684	45,684
Depreciation - plant and fittings	611,303	566,990
Electricity, gas and heating	138,442	140,266
Insurances	38,214	31,085
Rates	23,959	21,418
Repairs and maintenance	75,265	89,096
Hire of equipment	715	498
Other expenses	17,799	13,934
	<b>\$965,522</b>	<b>\$925,381</b>
<b>F. SALARIES AND STAFF ON COSTS</b>		
Salaries	1,516,007	1,335,856
Superannuation	138,786	124,326
Payroll tax	49,928	38,660
Provision for annual leave	2,564	40,446
Provision for long service leave	(17,027)	2,424
Staff uniforms, training and other	23,259	19,502
Workers compensation insurance	35,369	30,039
	<b>\$1,748,886</b>	<b>\$1,591,253</b>
<b>G. DONATIONS AND SPONSORSHIP</b>		
RSL, Community Groups and Individuals	83,985	74,412
Registered Charities	-	2,500
	<b>\$83,985</b>	<b>\$76,912</b>