

**ST. MARYS R.S.L. & EX-SERVICEMEN'S
CLUB LIMITED**

ABN 14 000 589 060

FINANCIAL REPORT
For The Year Ended 30 June 2017



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ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 14 000 589 060

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017

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ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
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DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2017.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

SCHOENHERR, Uwe Paul	President
PERRY, Stephen Jeffrey	Vice-President
HEATH, William Earl	Vice-President
TAYLOR, Lee-Ann	Treasurer
DEVINE, Paul (resigned 5/11/2016)	
RADFORD, Raymond Ronald (resigned 5/11/2016)	
HARTREE, Desmond Charles (resigned 5/11/2016)	
GRIFFITHS, Harold Anthony (resigned 5/11/2016)	
WINMILL, Christopher William	
VECCHIO, Salvatore	
BRECKELL, Graham Thomas	
MCKINLEY, William James	
HARRIS, Allen (resigned 24/4/2017)	
MILLER, Joan May (appointed 26/07/2017)	

Objectives

The short-term objective of the company is to provide a safe and comfortable environment in which members can enjoy the club's facilities.

The long-term objectives are to ensure the financial viability of the club and to provide members with the highest standard of service and facilities.

Strategy for achieving the objectives

To achieve its stated objectives, the company is engaged in marketing to its members and providing the best service and facilities at a reasonable price.

Principal Activities

During the financial year the principal continuing activity of the company was a social and recreational club.

Performance Measures

The club measures its own performance through the use of mainly qualitative benchmarks and comparing the club's performance with industry standards and best practice.

The club is presently subject to income tax on taxable income derived from non-members in accordance with the taxation treatment of mutual income. No matters or circumstances have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

A review of the operations of the company during the financial year and the results of those operations have seen a 3.3 % increase in sales to \$ 5,728,406.

**ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
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DIRECTORS' REPORT (Continued)

The Statement of Financial Position as at 30 June 2017 indicated an increase of \$231,880 in cash and cash equivalents from 30th June 2016.

The loss of the year ended 30 June 2017 is \$64,915 before depreciation of \$655,893.

The loss for the financial year therefore amounted to \$720,808 (Year 2016 was a loss of \$786,185). No income tax was payable.

The number of members as at 30 June 2017 was 5,667, a decrease of 473 from 30 June 2016.

The company is a company limited by guarantee and without share capital. The company does not have provision in its constitution for the payment of dividends.

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Information on Directors:

Refer to note 16 of the financial statements.

Meeting of directors:

Refer to note 16 of the financial statements.

Auditor's independence declaration

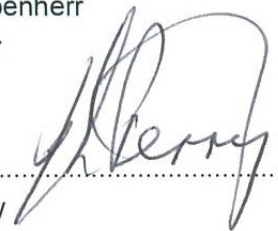
A copy of the Auditor's Independence Declaration as required under section 307C of the Corporation Act 2001 is set out on page 3.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporation Act 2001.

On behalf of the directors


.....

U. Schoenherr
Director


.....

S. Perry
Director

Dated this: 27th Day of: September 2017
ST MARYS NSW

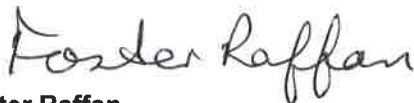
Partners:
Graeme J McLean
Vivien H Tang
G Douglas Wood

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**Auditor's independence declaration under section 307C of the Corporations Act, 2001
to the Directors of the St. Marys R.S.L. & Ex-Servicemen's Club Limited**

I declare that, to the best of my knowledge and belief, during the audit of St. Marys R.S.L. & Ex-Servicemen's Club Limited for the year ended 30 June 2017 there have been:

- i. no contraventions of the auditor independence requirements of the Corporation Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



Foster Raffan
Chartered Accountants.



G.D. Wood, FCA
Registered Company Auditor #4479

27 September 2017

**ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 14 000 589 060**

DIRECTORS' DECLARATION

In the directors' opinion:

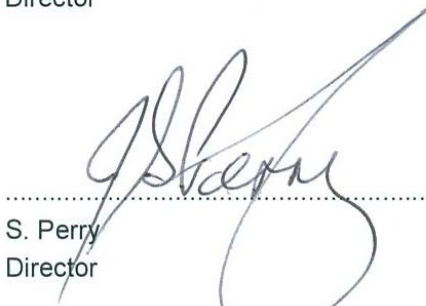
- the attached financial statements and notes thereto comply with the Corporation Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporation Act 2001.

On behalf of the directors



U. Schoenherr
Director



S. Perry
Director

Dated this: 27th Day of: September 2017
ST MARYS NSW

ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenues from ordinary activities	2	5,728,406	5,544,057
Changes in inventories (increase)	6	6,058	(602)
Employee benefits expense		(2,408,159)	(2,331,726)
Depreciation and amortisation expense	3	(655,893)	(609,308)
Other expenses from ordinary activities	3	<u>(3,391,220)</u>	<u>(3,388,606)</u>
Current year (loss) before income tax	12	(720,808)	(786,185)
Income tax expense		-	-
Net current year (loss) attributable to members	12	<u><u>(720,808)</u></u>	<u><u>(786,185)</u></u>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 14 000 589 060

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,856,015	1,624,135
Trade and other receivables	5	17,689	17,893
Inventories	6	63,941	57,884
Other current assets	7	-	17,647
Total current assets		<u>1,937,645</u>	<u>1,717,559</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	<u>19,092,679</u>	<u>18,731,935</u>
Total non-current assets		<u>19,092,679</u>	<u>18,731,935</u>
TOTAL ASSETS		<u>21,030,324</u>	<u>20,449,494</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	690,605	437,432
Tax liabilities	10	19,020	19,761
Short term provisions	11	<u>1,166,309</u>	<u>1,099,445</u>
Total current liabilities		<u>1,875,934</u>	<u>1,556,638</u>
NON-CURRENT LIABILITIES			
Financial liabilities	9	1,002,368	-
Long term provisions	11	<u>16,062</u>	<u>36,088</u>
Total non-current liabilities		<u>1,018,430</u>	<u>36,088</u>
TOTAL LIABILITIES		<u>2,894,364</u>	<u>1,592,726</u>
NET ASSETS		<u><u>18,135,960</u></u>	<u><u>18,856,768</u></u>
EQUITY			
Retained surplus		<u>18,135,960</u>	<u>18,856,768</u>
Total equity		<u><u>18,135,960</u></u>	<u><u>18,856,768</u></u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes

ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Retained Surplus \$	Total Equity \$
Balance at 1 July 2015	19,642,953	19,642,953
Current year (loss) attributable to members of the entity	(786,185)	(786,185)
	<hr/>	<hr/>
Balance at 30 June 2016	18,856,768	18,856,768
Current year (loss) attributable to members of the entity	(720,808)	(720,808)
	<hr/>	<hr/>
Balance at 30 June 2017	<u>18,135,960</u>	<u>18,135,960</u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members & customers		6,220,723	6,042,005
Payments to suppliers and employees		(6,071,864)	(5,942,314)
Interest received	2	24,662	54,742
Net cash generated by operating activities	12	<u>173,521</u>	<u>154,433</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		74,315	43,035
Payment for property, plant and equipment		(1,018,324)	(376,301)
Net cash (used in) investing activities		<u>(944,009)</u>	<u>(333,266)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds (repayment) from borrowings		1,002,368	(1,200,000)
Net cash generated by (used in) financing activities		<u>1,002,368</u>	<u>(1,200,000)</u>
Net (Decrease)/Increase in cash held		231,880	(1,378,833)
Cash and cash equivalents at the beginning of the financial year		1,624,135	3,002,968
Cash and cash equivalents at the end of the financial year	4	<u>1,856,015</u>	<u>1,624,135</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 14 000 589 060

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are general purpose financial statements that have been prepared in accordance with Australian accounting standards and interpretations issued by the Australian Accounting Standards Board ('AASB'). These financial statements also comply with international financial reporting standards as issued by the International Accounting Standards Board ('IASB').

The financial report is for St Marys R.S.L. & Ex-Servicemen's Club Limited as an individual entity. St Marys R.S.L. & Ex-Servicemen's Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

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

Basis of Preparation

St Marys RSL & Ex-Servicemen's Club Limited has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (IFRS).

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs which the Directors have assessed to represent fair value. There has not been a revaluation of non-current assets, financial assets or financial liabilities as the fair value basis of accounting has not been applied

Revenue recognition

Revenue from sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking in to account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Other revenue is recognised when it is received or when the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax (GST).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax

The company is a not for profit community club and accounts for its income tax liability after excluding income from members which is exempt from income tax under the accepted mutuality principles.

The charge for current income tax expense is based on the operating profit adjusted for the application of the mutuality principle and any other non-assessable or disallowed items.

Inventories

Inventories are measured at the lower of cost and net realisable value.

Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair market value plus transaction cost where the instrument is not classified as at fair value through profit and loss. Transaction costs related to instruments classified as at fair value through profit and loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risk and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities is recognised in profit and loss.

New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. The company has decided not to early adopt any of the new and amended pronouncements.

ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Land Held for Resale

At 30 June 2017 the Company did not hold any Land for development and resale.

Property, Plant and Equipment

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their cost less, where applicable, any accumulated depreciation. The Directors assess this value to represent fair value, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amounts.

Depreciation

All assets, excluding freehold land, are depreciated on a straight line basis over their useful lives to the company.

Impairment of Assets

At each reporting date, the directors review the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As at 30 June 2017 the Directors assessed the book value of tangible assets represented their fair value and there was not any impairment necessary to be charged to the Statement of Profit or Loss and Other Comprehensive Income.

Employee Benefits

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements have been measured at the amount expected to be paid when the liability is settled, plus related on-costs.

Provisions

Provisions are recognised when St Marys R.S.L. & Ex-Servicemen's Club Limited has a legal or constructive obligation, as a result of past events, for which it is probable that the outflow of economic benefit will result and that the outflow can be measured reliably.

Cash and Cash Equivalents

Cash and Cash Equivalents includes cash on hand, deposits held at call with banks or financial institutions, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the Statement of Financial Position.

Financial liability

Westpac Loan facility of \$1,002,368 is secured against all existing and future assets and undertakings of the club including properties located at corner Mamre Road & Hall Street, ST MARYS NSW 2760

Goods and Service 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 Statement of Financial Position 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.

ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Segment Reporting

The company operates predominately in one business and geographical segment, being the provision of goods and services to club members and their guests in Australia.

Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and internally.

Key estimates - Impairment

The directors assess impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Directors assessed the net book value of assets as representing fair value as at 30 June 2017.

NOTE 2: REVENUE & OTHER INCOME

	2017	2016
	\$	\$
Sales revenue	5,539,394	5,380,387
Interest from other persons	24,662	54,742
Other income	164,351	108,928
Total revenue	<u>5,728,406</u>	<u>5,544,057</u>

ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 3: DEFICIT FROM ORDINARY ACTIVITIES

	2017	2016
	\$	\$
Deficit from ordinary activities before income tax expense has been determined after:		
Crediting as Income:		
Interest received	24,662	54,742
Charging as Expenses:		
Interest paid or due and payable to other persons	30,688	18,880
Depreciation of property, plant and equipment	655,893	609,308
Remuneration of auditors		
— audit services	5,000	5,000
— other services	-	-

NOTE 4: CASH and CASH EQUIVALENTS

Term deposits	-	1,150,000
Cash at bank	1,761,015	379,135
Cash on hand	95,000	95,000
	1,856,015	1,624,135

NOTE 5: RECEIVABLES

Other receivables	17,689	17,893
	17,689	17,893

Credit Risk

The entity does not have any material credit risk exposure to any single receivable or group of receivables.

NOTE 6: INVENTORIES

Trading stock at cost	63,941	57,884
	63,941	57,884

NOTE 7: OTHER CURRENT ASSETS

Deposit paid	-	17,647
	-	17,647

ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	2017	2016
	\$	\$
Freehold land & buildings – at cost	26,294,254	26,155,610
Less: accumulated depreciation	(6,198,616)	(5,712,326)
Less: amortisation of club buildings	(2,454,826)	(2,454,826)
Carrying amount at end of year	<u>17,640,812</u>	<u>17,988,458</u>
Plant and furniture - at cost	1,682,149	1,026,759
Less: accumulated depreciation	(942,261)	(908,910)
Carrying amount at end of year	<u>739,888</u>	<u>117,849</u>
Poker machines – at cost	2,001,136	1,871,444
Less: accumulated depreciation	(1,355,010)	(1,312,969)
Carrying amount at end of year	<u>646,126</u>	<u>558,475</u>
Glassware & cutlery (carrying amount at end of the year)	<u>60,000</u>	<u>60,000</u>
Auditorium sound & lighting – at cost	410,353	410,353
Less: accumulated depreciation	(410,212)	(410,187)
Carrying amount at end of year	<u>141</u>	<u>166</u>
Motor vehicles – at cost	30,989	30,989
Less: accumulated depreciation	(25,277)	(24,002)
Carrying amount at end of year	<u>5,712</u>	<u>6,987</u>
Total property, plant and equipment	<u>19,092,679</u>	<u>18,731,935</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 8: PROPERTY, PLANT & EQUIPMENT(Continued)

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Freehold land & buildings	Plant & furniture	Poker machines	Glassware & cutlery	Auditorium sound & lighting	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning of the year	17,988,458	117,849	558,475	60,000	166	6,987	18,731,935
Additions	138,644	677,360	202,320	-	-	-	1,018,324
Disposals	-	(1,687)	(72,628)	-	-	-	(74,315)
Revaluation increments/ (decrements)	-	-	-	-	-	-	-
Depreciation	(486,290)	(53,634)	(42,041)	-	(25)	(1,275)	(583,265)
Carrying amount at end of year	17,640,812	739,888	646,126	60,000	141	5,712	19,092,679

NOTE 9: FINANCIAL LIABILITIES	2017	2016
	\$	\$
CURRENT		
Trade creditors & accruals	690,605	437,432
NON CURRENT		
Westpac Banking Corp. Ltd (Refer Note 1)	1,002,368	-

NOTE 10: TAX LIABILITIES		
CURRENT		
Goods & services tax	19,020	19,761

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 11: PROVISIONS

	2017	2016
	\$	\$
CURRENT		
Employee entitlements	<u>1,166,309</u>	<u>1,099,445</u>
NON-CURRENT		
Employee entitlements	<u>16,062</u>	<u>36,088</u>

NOTE 12: CASH FLOW INFORMATION

Reconciliation of cash flow from operations with loss from ordinary activities after income tax		
(Loss) from ordinary activities after income tax	(720,808)	(786,185)
Non-cash flows in (loss) from ordinary activities		
Depreciation and amortisation	655,893	609,308
Profit on disposal fixed assets	(72,628)	-
Changes in assets and liabilities		
Decrease/(Increase) in prepayments/receivables	17,851	(10,031)
Decrease/(Increase) in inventories	(6,058)	(602)
Increase/(Decrease) in trade creditors/payables	252,433	341,943
Increase/(Decrease) in provisions	46,838	-
Cash flows from operations	<u>173,521</u>	<u>154,433</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 13: FINANCIAL RISK MANAGEMENT

a. Interest Rate Risk

The company's financial instruments consist wholly of deposits with banks. The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted average Interest rate		Floating		Non-interest		Total	
	%		Interest Rate		Bearing			
Financial Assets	2017	2016	2017	2016	2017	2016	2017	2016
Cash on hand	-	-	-	-	95,000	95,000	95,000	95,000
Cash & cash equivalents	2.94	2.94	-	-	1,761,015	1,529,135	1,761,015	1,529,135
Total			-	-	1,856,015	1,624,135	1,856,015	1,624,135
Financial Liabilities								
Trade Creditors accruals	-	-	-	-	709,625	457,194	709,625	457,194
Bank loan	-	7.03	1,002,368	-	-	-	1,002,368	-
Total			1,002,368	-	709,625	457,194	1,711,993	457,194

The directors do not anticipate any substantial risk to the company's exposure to changes in interest rates.

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the directors on a regular basis.

The company does not have any material credit risk exposure nor any liquidity risk.

The company does not have any derivative instruments at 30 June 2017.

NOTE 14: CAPITAL MANAGEMENT

Management controls the capital of the entity to ensure adequate cash flows are generated to fund operations.

The gearing ratios for the years ended 30 June 2017 and 2016 are:

	2017	2016
	\$	\$
Total borrowings	1,002,368	-
Less: cash and cash equivalents	(1,856,015)	(1,624,135)
Net Debt (surplus)	(853,647)	(1,624,135)
Total equity	18,135,960	18,856,769
Total capital	<u>\$17,282,313</u>	<u>\$17,732,634</u>
Gearing ratio	0%	0%

ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 14 000 589 060

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 15: COMPANY DETAILS

The club is incorporated and domiciled in Australia as a company limited by guarantee.

The registered office and the principal place of business of the company is:

St. Marys R.S.L. & Ex-Servicemen's Club Limited
Mamre Road, ST MARYS NSW 2760

NOTE 16: INFORMATION ON THE DIRECTORS

	<u>Position Held</u>	<u>Years on Board</u>	<u>Occupation</u>	<u>Meetings Attended</u>
SCHOENHERR, Uwe Paul	President	10	Retired	12 out of 12
PERRY, Stephen Jeffrey	Vice-President	11	Retired	8 out of 12
HEATH, William Earl	Vice-President	7	Retired	12 out of 12
TAYLOR, Lee-Ann	Treasurer	1	Supervisor	5 out of 8
DEVINE, Paul (resigned 5/11/2016)		19	Retired	4 out of 4
RADFORD, Raymond Ronald (resigned 5/11/2016)		15	Retired	2 out of 4
HARTREE, Desmond Charles (resigned 5/11/2016)		16	Retired	3 out of 4
GRIFFITHS, Harold Anthony (resigned 5/11/2016)		26	Truck Driver	4 out of 4
WINMILL, Christopher William		3	Vinyl Layer	12 out of 12
VECCHIO, Salvatore		1	Retired	7 out of 8
BRECKELL, Graham Thomas		1	Retired	8 out of 8
MCKINLEY, William James		1	Sole Operator	7 out of 8
HARRIS, Allen (resigned 24/4/2017)		1	Painter	3 out of 5
MILLER, Joan May (appointed 26/07/2017)		0	Retired	0 out of 0

Partners:
Graeme J McLean
Vivien H Tang
G Douglas Wood

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INDEPENDENT AUDITOR'S REPORT
to the members of
ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED
(hereinafter referred to as "SMRSL")

Report on the Financial Report

We have audited the accompanying financial report of St Marys RSL & Ex-Servicemen's Club Ltd ("SMRSL") as set out on pages 4 to 19 inclusive, comprising the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2017, Statement of Financial Position as at that date, Statement of Changes in Equity, Statement of Cash Flows, Notes to the Financial Statements for the year then ended and Directors' Declaration signed in accordance with a resolution of the Board in 27 September 2017.

Directors' Responsibility for the Financial Report

The Directors of SMRSL are responsible for the preparation and fair presentation of the Financial Report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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. These Auditing 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 SMRSL's preparation and fair presentation of the Financial Report 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 SMRSL'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*. Our declaration to the directors is set out on page 3.

Auditor's Opinion

In our opinion:

1. the financial report of SMRSL is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of SMRSL's financial position as at 30 June 2017 and of its performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*, and
2. the Financial Report of SMRSL also complies with International Financial Reporting Standards as disclosed in Note 1.



Foster Raffan
Chartered Accountants.



G.D. Wood, FCA
Partner

North Sydney, 27 September, 2017

COMPILATION REPORT TO ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED

Scope

We have compiled the accompanying special purpose financial statements of St. Marys R.S.L. & Ex-Servicemen's Club Limited, as set out on pages 23 to 26, which comprise the Detailed Trading and Profit and Loss Statements for the year ended 30 June 2017. These financial statements have been prepared in accordance with Australian Accounting Standards described in Note 1 to the financial statements.

The Responsibility of the Directors

The directors are solely responsible for the information contained in the special purpose financial statements and have determined that the basis of accounting used is appropriate to meet their needs and for the purpose that the Financial Statements were prepared.

Our Responsibility

On the basis of the information provided by the directors we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting adopted and *APES 315: Compilation of Financial Information*.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the directors. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

Oracle Accounting Group



Vivian Edmonds

Date: 27 September 2017

ULTIMO NSW

ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 14 000 589 060

BAR TRADING ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
Sales	1,232,571	1,239,905
Less: Cost of goods sold		
Opening stock	50,560	49,407
Purchases	590,412	613,284
Less: closing stock	(56,131)	(50,560)
Wages	387,592	487,476
Stocktaking expenses	10,200	10,200
	982,633	1,109,807
Net profit from bar trading	249,938	130,098

POKER MACHINE TRADING ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2017

Revenue	3,348,620	3,105,576
Less: expenses		
Wages	258,395	298,576
Supplementary tax & licence	593,337	517,077
Repairs and maintenance	117,804	126,734
Depreciation	114,669	92,089
	1,084,205	1,034,476
Net profit from poker machine trading	2,264,415	2,071,100

ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED
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COFFEE SHOP TRADING ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
Sales	565,158	608,933
Less: cost of goods sold		
Opening stock	7,324	7,875
Purchases	290,072	323,200
Less: closing stock	(7,810)	(7,324)
Cleaning materials	755	359
Wages	199,292	205,418
	489,633	529,528
Net profit from coffee shop trading	75,525	79,405

BOWLING CLUB TRADING ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2017

Bowling fees	36,686	43,144
Less :		
Administration expenses & wages	106,844	103,089
Net (loss) from bowling club	(70,158)	(59,945)

ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
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DETAILED PROFIT & LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

INCOME	2017	2016
	\$	\$
Net profit from bar trading	249,938	130,098
Net profit from poker machine trading	2,264,415	2,071,100
Net profit from coffee shop trading	75,525	79,405
Commission – TAB	20,272	25,380
Commission – Keno	74,995	76,508
Net (loss) from bowling club	(70,158)	(59,945)
Subscription	32,132	21,575
Sundry income	271,808	215,051
Interest received	24,662	54,742
Total income	<u>2,943,589</u>	<u>2,613,914</u>
 EXPENSES		
Advertising	3,316	877
Accountancy and audit	46,473	38,825
Bank fees	14,717	5,825
Bands & artists	92,579	117,464
Cleaning – Contractors	165,456	164,484
Cleaning – Wages	84,802	79,564
Depreciation	541,224	517,219
Directors expenses	17,269	14,617
Donations & sponsorships	51,977	44,411
Electricity & gas	252,184	233,198
Fringe benefits tax	-2,402	15,261
General expenses	73,423	73,526
Holiday & sick pay	139,249	285,132
Insurance	127,203	118,842
Interest - bank	30,688	18,880
Management expenses	19,418	19,324
Motor vehicle expenses	6,378	17,793

ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED
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DETAILED PROFIT & LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
EXPENSES (continued)		
Payroll tax	83,405	72,152
Postage	113	110
Promotion & happy hour expenses	136,983	147,900
Printing and stationery	18,282	20,816
Rates	62,881	70,941
Rent of equipment	31,427	26,675
Repairs and maintenance	137,729	155,020
Sky channel communications	59,134	57,389
Security expenses	125,756	127,362
Staff welfare uniforms training	2,429	2,658
Superannuation	197,538	264,216
Subscriptions	23,427	5,977
Telephone	15,082	13,745
Travel expenses	2,980	6,971
Wages and salaries	945,632	513,130
Wages-reception	112,227	108,339
Waste and rubbish removal	45,418	41,456
Total Expenses	3,664,397	3,400,099
Net (loss) before income tax expense	(720,808)	(786,185)

**ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 14 000 589 060**

**REGISTERED CLUB REPORTING
ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED - LICENCE NO: 245934
THE REPORTING PERIOD FOR REGISTERED CLUB REPORTING ENDED 31/08/2017**

Registered Clubs Act

IMPORTANT INFORMATION FOR CLUB MEMBERS

This club is by law required to keep a register containing information that relates to the management and financial administration of the club including:

1. A list of disclosures, declarations and returns made by the governing body and employees of the club.
2. The salary bands of the club's Top Executives.
3. Details of the overseas travel made by the governing body and employees of the club.
4. Details of loans given by the club to employees.
5. Details of certain contracts executed by the club.
6. Salary details of club employees who are close relatives of the clubs' governing body and Top Executives.
7. Details of the payments made by the club for consultant services.
8. Details of legal settlements made by the club with a member of the governing body or employee of the club.
9. Details of legal fees paid by the club for a member of the governing body or an employee of the club.
10. The club's annual gaming machine profit.
11. The amount applied by the club to community development and support.

AND

The club must prepare quarterly financial statements for the governing body that incorporate:

1. The club's profit and loss accounts and trading accounts for the quarter, and
2. A balance sheet as at the end of the quarter.

Members may view the register or the financial statements by written request to the club.

ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED
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ABN 14 000 589 060

REGISTERED CLUB REPORTING
ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED - LICENCE NO: 245934
THE REPORTING PERIOD FOR REGISTERED CLUB REPORTING ENDED 31/08/2017

Registered Clubs Act

IMPORTANT INFORMATION FOR CLUB MEMBERS (Continued)

Core & Non-Core Properties

Pursuant to Section 41J (2) of the Registered Club's Act for the financial year ended 30 June 2017.

1. the following properties are core properties of the club:
 - (i) Licensed Building premises and bowling greens

2. the following properties are non-core properties of the club:
 - (i) Property incorporating the "train", Hall Street St. Marys
 - (ii) Youth & Community Hall, Hall Street St. Marys
 - (iii) Vacant property, north of licensed premises, Mamre Road St. Marys

Notes to Members

1. Section 41J (2) of the Registered Club's Act requires the annual report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.

2. Core property is any real property owned or occupied by the Club that comprises:
 - (i) the defined premises of the Club; or
 - (ii) any facility provided by the Club for use of its Members and their guests; or
 - (iii) any other property declared by a resolution passed by a majority of the Members present at a general meeting of Ordinary Members of the Club to be core property of the Club.

3. Non-core property is any other property other than that referred to above as core property and any property which is declared by the Members at a general meeting of ordinary Members of the Club not to be core property.

4. The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
 - (i) the property has been valued by a registered valuer within the meaning of the Valuers' Act 2003; and
 - (ii) the disposal has been approved at a general meeting of the ordinary members of the club at which the majority of the votes cast support the approval; and
 - (iii) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer

**ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 14 000 589 060**

**REGISTERED CLUB REPORTING
ST. MARYS R.S.L. & EX-SERVICEMEN'S CLUB LIMITED - LICENCE NO: 245934
THE REPORTING PERIOD FOR REGISTERED CLUB REPORTING ENDED 31/08/2017**

Registered Clubs Act

IMPORTANT INFORMATION FOR CLUB MEMBERS (Continued)

Notes to Members (Continued)

5. These disposal provisions and what constitutes a disposal for the purposes of Section 41J are to some extent modified by regulations made under the Registered Club's Act and by Section 41J itself. For example, the requirements in paragraph 4 above do not apply to:
- (i) Core property that is being leased or licensed for a period not exceeding 10 years on terms that have been the subject of a valuation by a registered valuer;
 - (ii) Core property that is being leased or licensed to a telecommunications provider for the purposes of a telecommunications tower.

By direction of the Board



M. Wiezel
Chief Executive Officer

Dated this: 27th Day of: September 2017
ST MARYS NSW