

COMBINED SERVICES RSL CLUB CO-OPERATIVE LIMITED

FINANCIAL STATEMENT YEAR ENDING DECEMBER 2017

COMBINED SERVICES RSL CLUB CO-OPERATIVE LIMITED

DIRECTORS' REPORT

In compliance with the provision of Part 2M.3 of the Co-operative Amendment Accounts and Audit Regulation 2001, the Directors of Combined Services RSL Club Co-operative Limited report in respect of the year ended December 31, 2017 as follows:-

1. Directors

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

G. Coffill	President – 1 year 7 months; Vice President – 7 years; Director – 6 years	Commercial Executive
W. Benington	Vice President – 1 Year 7 months; Director - 1 year 4 months	Retired
P. Joass	Director - 4 years 10 months	Law Stationer
J. Scott	Director - 1 year 7 months	Bus Driver
B. Nugent	Director - 1 year 6 months	Retired

2. Activities

The principal activities of the Society in the course of the financial year have been those of a registered club. During the financial year there has been no change in nature of those activities.

3. Result

The net amount of Loss after providing for income tax of NIL for the financial year was \$167,294.33.

4. Dividends, Rebate or Bonus

The Directors recommend that no dividend, rebate or bonus be paid by the Society in respect of the financial year and state that no dividends, rebate or bonus have been paid since the end of the previous financial year.

5. Review of Operations

Poker Machine Revenue	569,218
Gross Profit on Bar Trading	618,119
Members Subscriptions	7,927
Interest Received	5,851
Keno	3,308
Other Income	3,893
Total Income	1,208,316
Total Expense	1,375,610
Net Operating Loss	(167,294)

COMBINED SERVICES RSL CLUB CO-OPERATIVE LIMITED

DIRECTORS' REPORT

1. Significant Changes

No significant change occurred in the state of affairs of the Society during the financial year.

2. Matters Subsequent to the End of the Financial Year

At the date of this report there are no matters or circumstances, which have arisen since December 31, 2017 that have significantly affected or may significantly affect:

- (i) The operation of the Society
 - (ii) The result of those operations; or
 - (iii) The state of affairs of the Society
- in the financial year subsequent to December 31, 2017

3. Likely Developments

No further developments are planned in the coming year. The Society is budgeting for an increase in revenue in 2018.

4. Environmental Regulations

The Society's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a State or Territory.

5. Directors' and Officers' Insurance

The Society has paid insurance premiums in respect of directors' and officers' liability and legal expense insurance for directors and officers of the Society. Further details have not been disclosed due to confidentiality provisions contained in the insurance contract.

6. Directors' Benefits

Since the end of the previous financial year no member of the Board of Directors has received or become entitled to receive any benefit by reason of a contract between the Society or related corporation, and himself, his firm or a company in which he has substantial financial interest that has not been disclosed to the Board of Directors.

For and on behalf of the Board of Directors and in accordance with the Board's resolution.

G. R. Coffill
President

COMBINED SERVICES RSL CLUB CO-OPERATIVE LIMITED **STATEMENT BY DIRECTORS**

1. In the opinion of the Directors:

- a) The financial statements and the notes comply with the accounting standards.
- b) The accounts set out on the accompanying pages are drawn up so as to give a true and fair view of the state of affairs of the Society as at 31 December 2017, and its results for the year ended on that date; and
- c) At the date of this statement there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due
- d) In the opinion of the Directors the financial statements and notes are in accordance with the Corporations Law including
 - (i) Section 296 (compliance with accounting standards) and
 - (ii) Section 297 (true and fair view).

2. The Society has, in respect of the financial year:

- a) Kept its accounting records as to correctly record and explain the transactions and Balance Sheet of the Society;
- b) Kept its accounting records in such manner as would enable true and fair accounts of the Society to be prepared from time to time; and
- c) Kept its accounting records in such manner as would enable the accounts of the Society to be conveniently and properly audited in accordance with the Act and Regulations.

3. The accounts have been properly prepared by a competent person.

In accordance with a resolution of the Directors.

G. R. Coffill
President

Dated at Sydney, this day 27th of February 2018.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMBINED SERVICES RSL CLUB CO-OPERATIVE LIMITED

SCOPE

I have audited the financial report of Combined Services RSL Club Co-Operative Limited for the financial year ended 31st December 2017, including the Directors' declaration. The Society's Directors are responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Society.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with our understanding of the Society's Balance Sheet and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In my opinion, the financial report of Combined Services RSL Club Co-Operative Limited is in accordance with:

- a) The Co-Operative Act 1992 and Co-Operative Amendment (accounts and audit) Regulations 2001
 - (i) giving a true and fair view of the Society's Balance Sheet as at 31st December 2017, and of the Income Statement for the year ended on that date; and
 - (ii) Complying with Accounting Standards and Co-Operative Regulations;
- b) The financial statements and notes are in accordance with the Corporations Law including
 - (i) Section 296 (compliance with accounting standards) and
 - (ii) Section 297 (true and fair view).
- c) I have obtained all the information and explanations that I have required and;
- d) Proper accounting records and other records, including registers, have been kept by the Society as required by the Act and the Regulations.

Signed at Sydney this
day of February 2018

Brian Carroll
Public Accountant

COMBINED SERVICES RSL CLUB CO-OPERATIVE LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017

	NOTE	2017	2016
Net Profit/(Loss) From Ordinary Activities	2	(167,294)	(168,352)
Income Tax Attributable To Net Profit –		---	---
Net profit/(Loss) From Ordinary Activities After Income Tax		<u>(167,294)</u>	<u>(168,352)</u>
Less: Impairment of Poker Machine Entitlements		---	---
Retained Profits January 1, 2017		<u>488,764</u>	<u>657,116</u>
Retained Profits December 31, 2017		<u><u>321,470</u></u>	<u><u>488,764</u></u>

COMBINED SERVICES RSL CLUB CO-OPERATIVE LIMITED
BALANCE SHEET
AS AT DECEMBER 31, 2017

	2017	2016
CURRENT ASSETS		
CASH (NOTE 1.)	152,683.98	180,389.95
RECEIVABLES (NOTE 2.)	17,030.26	21,553.77
INVENTORIES (NOTE 3.)	44,302.40	39,858.40
INVESTMENTS (NOTE 4.)	200,000.00	200,000.00
TOTAL	414,016.64	441,802.12
 NON CURRENT ASSETS		
PLANT & EQUIPMENT (NOTE 5.)	348,331.34	478,838.16
TOTAL	348,331.34	478,838.16
TOTAL ASSETS	762,347.98	920,640.28
 CURRENT LIABILITIES		
CREDITORS & BORROWINGS (NOTE 6.)	29,755.51	24,575.15
PROVISIONS (NOTE 7)	47,795.45	43,973.78
TOTAL	77,550.96	68,548.93
 NON CURRENT LIABILITIES		
PROVISIONS (NOTE 7.)	151,842.36	151,842.36
TOTAL	151,842.36	151,842.36
TOTAL LIABILITIES	229,393.32	220,391.29
NETT ASSETS	532,954.66	700,248.99
 RESERVES (NOTE 8.)	211,484.98	211,484.98
RETAINED SURPLUS OR	321,469.68	488,764.01
TOTAL MEMBERS FUNDS	532,954.66	700,248.99

COMBINED SERVICES R.S.L. CLUB CO-OPERATIVE LIMITED
NOTES TO AND FORMING PART OF THE ACCOUNTS
YEAR ENDED DECEMBER 31, 2017

NOTE 1 – STATEMENT OF ACCOUNTING POLICIES

The accounting practices adopted by the Club are in accord with the accounting standards required by the Australian Accounting Bodies and/or by law. The accounts have been prepared predominately on the basis of historical cost and do not take into account changing money values.

Depreciation

Depreciation is calculated on a straight line basis so as to write off the cost of Plant, Equipment and other Property during its effective working life.

The main items of Equipment include Poker Machines which are depreciated at the rate of 20% and account for \$18,744; kitchen and bistro equipment at the rate of 10% and accounts for \$2,534 and small purchases under \$20,000 at the rate of 100% and account for \$3,758.

Employee benefits

The amounts expected to be paid to employees for their pro-rata entitlement to long service, annual and sick leave has been provided on the basis of the State Legislation and Awards including all amounts legally payable to the date of the balance sheet and any amounts payable under the contingencies provided for in respect of employment termination.

NOTE 2 – OPERATING PROFIT

The operating Profit before income tax includes the following items of revenue and expense:-

	2017	2016
Operating Revenue		
Gaming Machine Revenue	569,218	610,681
Gross Profit on Bar Trading	618,119	489,833
Members' Subscriptions	7,927	4,546
Interest Received	5,851	7,761
Keno	3,308	5,215
Other Income	3,893	20,109
	1,208,316	1,138,145
Operating Expenses		
Audit Fees - Auditing the Accounts	2,400	3,900
Amortisation - Leasehold Improvements	97,008	97,008
Depreciation	45,257	85,435
Provision - Holiday Pay & Long Service Leave	43,105	39,125
Superannuation	45,351	29,222

COMBINED SERVICES R.S.L. CLUB CO-OPERATIVE LIMITED
NOTES TO AND FORMING PART OF THE ACCOUNTS
YEAR ENDED DECEMBER 31, 2017

NOTE 3 - CASH CURRENT

	2017	2016
Bank Accounts - Current Account	101,684	129,390
Cash on Hand	51,000	51,000
Money on Deposit	200,000	200,000
	<u>352,684</u>	<u>380,390</u>

NOTE 4 - RECEIVABLES CURRENT

Other Debtors	2,910	5,090
Prepayments	14,120	16,464
	<u>17,030</u>	<u>21,554</u>

**NOTE 5 - PROPERTY, PLANT & EQUIPMENT
- NON-CURRENT**

Plant & Equipment – Fair Value	1,405,271	1,393,513
Less: Accumulated Depreciation	<u>(1,232,907)</u>	<u>(1,187,650)</u>
	<u>172,364</u>	<u>205,863</u>

Leasehold Improvements - at cost	966,302	966,302
Less: Accumulated Amortisation	<u>(790,335)</u>	<u>(693,327)</u>
	<u>175,967</u>	<u>272,975</u>
	<u>348,331</u>	<u>478,838</u>

NOTE 6 - CREDITORS & BORROWINGS – CURRENT

Trade Creditors & Accrued Charges	77,551	68,549
	<u>77,551</u>	<u>68,549</u>

NOTE 7 - PROVISIONS - CURRENT

G.S.T.	4,690	4,849
Annual Leave	26,804	17,312
Long Service Leave	16,301	21,813
Income Tax	0	0
	<u>47,795</u>	<u>43,974</u>

NOTE 8 - PROVISIONS - NON-CURRENT

Super Jackpot Payouts	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

COMBINED SERVICES R.S.L. CLUB CO-OPERATIVE LIMITED
NOTES TO AND FORMING PART OF THE ACCOUNTS
YEAR ENDED DECEMBER 31, 2017

NOTE 9 - RESERVES

	2017	2016
Capital Profits	211,485	211,485
Replacement and Maintenance of Equipment	131,842	131,842
	343,327	343,327

NOTE 10 - REPORTING BY SEGMENTS

The principal continuing activity of the Society is that of a licensed club, which operates in one geographical area being Sydney, New South Wales.

NOTE 11- DIRECTORS' MEETINGS HELD 12

Attended:

G. Coffill	12
W. Benington	12
P Joass	11
J. Scott	11
T. Kennedy	12
B. Nugent	11
T. Papas	2

COMBINED SERVICES R.S.L. CLUB CO-OPERATIVE LIMITED
NOTES TO AND FORMING PART OF THE ACCOUNTS
YEAR ENDED DECEMBER 31, 2017

NOTE 12 - AMOUNTS EXPENDED BY DIRECTORS AS APPROVED BY MEMBERS AT THE ANNUAL GENERAL MEETING HELD 16TH MAY 2017:

	<u>Amount Approved</u>	<u>Amount Expended</u>
Pursuant to the Registered Clubs Act:		
Ordinary Resolution No 1 – Reasonable cost of meals and beverages after Board or Committee meetings, entertainment of special guests and attending functions of benefit to the Club.	5,000	5,874
Ordinary Resolution No 2 – Reasonable costs of attending Registered Clubs Association Subscription and Meetings, Seminars, Lectures, Trade Displays and Similar Events.	12,000	5,420
Ordinary Resolution No 3 – Board Annual Dinner attended by Directors, Senior Management, Local Dignitaries and their partners.	5,000	0
		11,294

NOTE 13- EFFECTS OF ADOPTING AUSTRALIAN EQUIVALENTS OF IFRS

The AASB had adopted IFRS for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS, and the Urgent Issues Group has issued interpretations originated by either the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. These Australian equivalents to IFRS are referred hereafter as AIFRS. The adoption of AIFRS will be first reflected in the entity's financial statements for the year ended 31 December 2005.

Entities complying with AIFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of AIFRS to the comparative period. Most adjustments required on transition to AIFRS will be made, retrospectively, against opening retained earnings as at 1 January 2005.

Statement of changes in Members' Equity	2017 \$	2016 \$
Retained Profits as at January 1	488,764	657,116
ADD: Increase in impairment of Poker Machine Entitlements	---	---
LESS: Loss for the period ended December 31,2017	<u>(167,294)</u>	<u>(168,352)</u>
Retained Profits as at December 31	<u>321,470</u>	<u>488,764</u>

COMBINED SERVICES R.S.L. CLUB CO-OPERATIVE LIMITED

STATEMENT OF SOURCE OF FUNDS YEAR ENDED DECEMBER 31, 2017

FUNDS FROM OPERATIONS

Inflow of Funds	1,426,888.04	
Less: Outflows of Funds	<u>1,594,183.04</u>	
		(167,295.00)

REDUCTION IN ASSETS

CURRENT ASSETS

Prepayments	2,343.00	
ATM Reimbursements	<u>2,180.00</u>	
		4,523.00

PROCEEDS FROM SALE OF FIXED ASSESTS

Less: Provision for Depreciation	45,257	
Less: Written off Amortisation	<u>97,008</u>	
		142,265.00

INCREASE IN LIABILITIES

CURRENT LIABILITIES

Bank Overdraft	27,706.00	
Accrued Expenses	5,180.00	
Provision for Holiday Pay	9,492.00	
		<u>42,378.00</u>
		<u>21,871.00</u>

APPLICATION OF FUNDS

INCREASE IN ASSETS

CURRENT ASSETS

Stock on Hand – at Cost	4,444.00	
PURCHASES OF FIXED ASSETS		
Plant & Equipment – at Cost	<u>11,758.00</u>	

REDUCTION IN LIABILITIES

CURRENT LIABILITIES

GST on supplies	514.41	
Prov'n for Long Service Leave	5,511.00	
		<u>5,669.00</u>
		<u>21,871.00</u>

COMBINED SERVICES R.S.L. CLUB CO-OPERATIVE LIMITED

BAR INCOME STATEMENT YEAR ENDED DECEMBER 31, 2017

	2017	2016
Sales	962,356	781,295
Less: Cost of Sales		
Stock on Hand January 1	39,859	31,537
Purchases	<u>348,677</u>	<u>299,784</u>
	<u>388,536</u>	<u>331,321</u>
Less: Stock on Hand December 31	<u>44,303</u>	<u>39,859</u>
Total cost of sales	344,233	291,462
Gross Profit on Bar Trading	<u><u>618,119</u></u>	<u><u>489,833</u></u>

COMBINED SERVICES R.S.L. CLUB CO-OPERATIVE LIMITED

INCOME STATEMENT YEAR ENDED DECEMBER 31, 2017

<u>INCOME</u>	2017	2016
NET PROFIT/(LOSS) BAR TRADING	349,326.39	256,014.67
NET PROFIT/(LOSS) POKER MACHINE TRADING	443,554.04	517,730.91
NET PROFIT/(LOSS) KENO	3,307.70	5,215.24
MEMBERS SUBSCRIPTIONS	7,926.79	4,546.10
INTEREST RECEIVED	5,851.47	7,760.63
COMMISSION-ATM & VENDING MACHINES	3,892.51	3,876.64
OTHER INCOME	0.00	4,860.00
INSURANCE RECOVERY	0.00	4,052.46
PROFIT ON SALE OF ASSET	0.00	7,320.00
TOTAL	813,858.90	811,376.65
<u>EXPENSES</u>		
ADVERTISING	379.50	576.18
AIR CONDITIONING MAINTENANCE	8,240.14	8,688.57
AMORTISATION	97,008.00	97,008.00
AUDIT FEE - AUDIT	2,400.00	3,900.00
CATERING SUBSIDY	0.00	13,200.00
CONSULTANTS FEES	5,225.00	90,841.63
BANK FEES AND CHARGES	9,493.97	3,958.07
CARDS	1,050.00	910.00
CLEANING	34,110.38	32,855.96
CLUB BADGE DRAW	3,000.00	0.00
DEPRECIATION	45,257.00	85,435.00
DONATIONS	0.00	100.00
FOX SPORTS	19,798.00	12,114.00
GENERAL EXPENSES	8,219.20	19,410.78
HIRING CHARGES	6,623.49	4,900.00
HOLIDAY/LONG SERVICE LEAVE	30,507.99	20,709.41
INSURANCE	36,362.24	44,402.17
LEGAL EXPENSES	9,657.05	5,764.43
LIFT MAINTENANCE	8,320.02	460.90
LIGHT & POWER	60,692.18	47,270.63
MEMBERSHIP MAILOUTS	4,421.12	4,630.37
MAINTENANCE - CATERING	5,668.42	0.00
MAINTENANCE	42,253.24	52,016.35
O.P.E. - DIRECTORS	98.63	194.27
POSTAGE	1,408.74	3,924.57
MEMBERS DISCOUNT	0.00	0.00
PRINTING & STATIONERY	4,237.45	5,581.35
POKER LEAGUE	13,500.00	14,310.00
RATES - COUNCIL & WATER	61,388.35	58,798.76
RENT	157,844.99	154,833.33
RUBBISH REMOVAL	22,488.74	26,317.83
SALARIES & WAGES	187,850.16	88,624.17
STAFF AMENITIES	7,069.27	3,936.50
SOCIAL NETWORKING	3,340.00	9,866.50
SOCIAL EXPENSES	5,873.58	6,595.91
SUBSCRIPTIONS	3,823.47	2,293.03
SUNDRY LICENCES	6,186.62	4,593.86
SUPERANNUATION - CLUB	44,231.24	29,222.37
SUPERANNUATION EMPLOYEES	1,120.00	0.00
THEFT	556.00	0.00
TELEPHONE	9,370.48	10,293.16
TRAINING/SEMINARS	12,511.47	1,435.05
UNDER/OVER CASH FLOATS	-432.90	9,755.64
TOTAL	981,153.23	979,728.75
NET PROFIT/(LOSS) BEFORE TAX	-167,294.33	-168,352.10

COMBINED SERVICES R.S.L. CLUB CO-OPERATIVE LIMITED

INCOME STATEMENT YEAR ENDED DECEMBER 31, 2017

PROFIT AND LOSS APPROPRIATION	2017	2016
NET PROFIT/(LOSS) BEFORE TAX	<u>(167,294.33)</u>	<u>(168,352.10)</u>
PROFIT/(LOSS) AFTER TAX	<u>(167,294.33)</u>	<u>(168,352.10)</u>
ACCUMULATED FUNDS AT BEGINNING OF YEAR	488,764.01	657,116.11
ADD PROFIT/(LOSS) THIS YEAR	<u>(167,294.33)</u>	<u>(168,352.10)</u>
TOTAL	<u>321,469.69</u>	<u>488,764.01</u>