

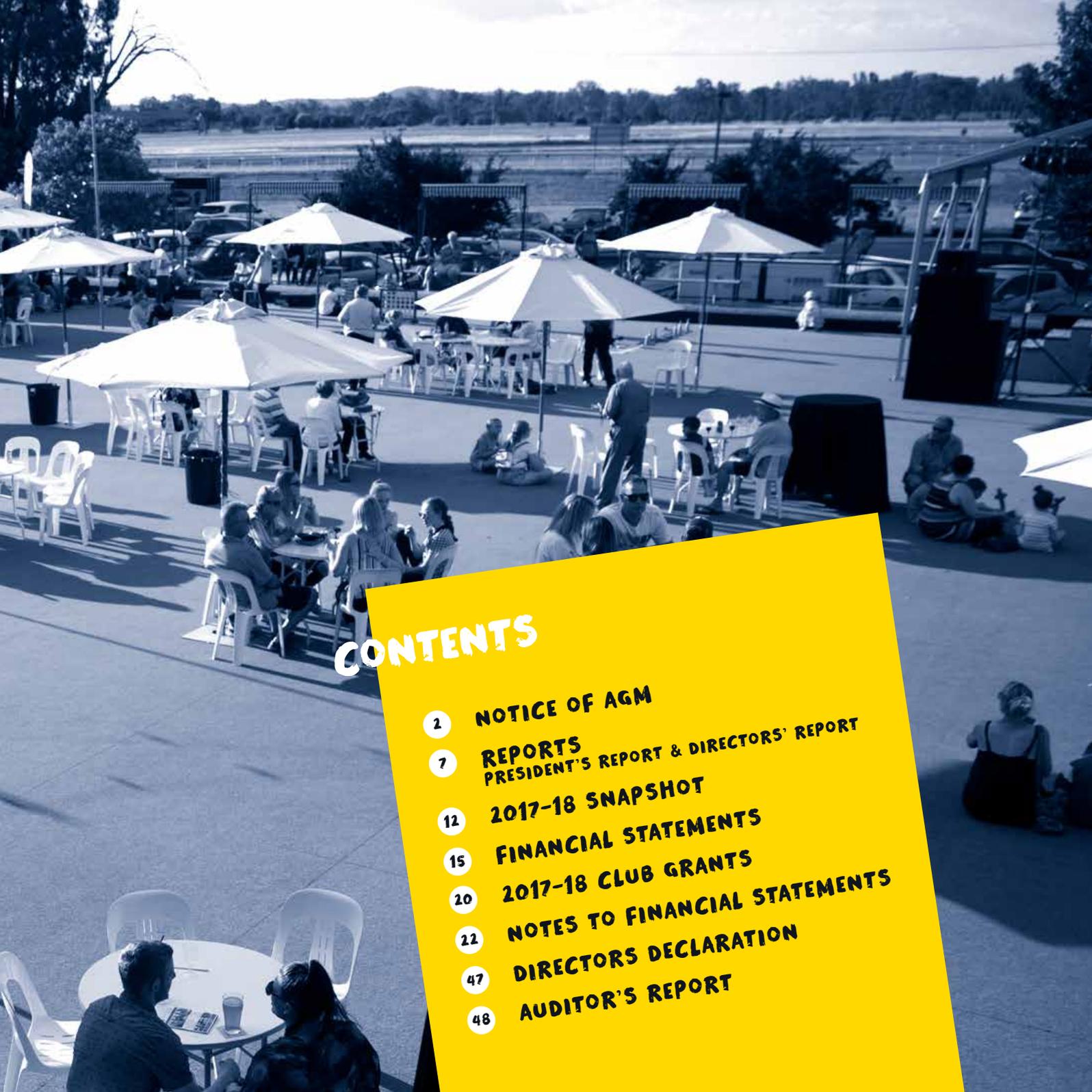


2017

2018

**WAGGA RSL  
AND  
COMMERCIAL  
CLUB**





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# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Wagga RSL Club Ltd will be held on Tuesday 23rd October 2018 at 5.30pm at the Wagga RSL Club premises, Dobbs St, Wagga Wagga.

## **BUSINESS**

1. To receive and consider the Ordinary Resolutions
2. To receive and consider the report of the Directors
3. To receive and consider the Financial Statements:
  - I. Consolidated Statement of Profit or Loss and Other Comprehensive Income
  - II. Consolidated Statement of Financial Position
  - III. Consolidated Statement of Changes in Equity
  - IV. Consolidated Statement of Cash Flows
  - V. Notes to Financial Accounts
4. To receive and consider the Auditors Report
5. To declare the election of Directors for the ensuing period
6. Any other relevant business of which due notice has been given.

By order of the Board of Directors.



**ANDREW BELL**  
General Manager

# ORDINARY RESOLUTION 1

“That pursuant to the Registered Clubs Act 1976, as amended, the members hereby approve and agree to the members of the Board and Senior Management during the period preceding the next Annual General Meeting receiving the following benefits and the members further acknowledge that the benefits outlined in subparagraphs (a) to (i) are not available to members generally, but, only to those members who are elected to the Board of Directors of the Club, or Senior Managers;

- A.** Reasonable meals and refreshments for each Director in conjunction with each Board or Committee Meeting;
- B.** Reasonable costs or expenses in relation to the professional development and education of Directors and Managers including:-
  - I.** Attending meetings of associations of which the Club is a member or Managers or Directors of the Club are members;
  - II.** Attending seminars, lectures, trade displays, organised study tours, fact finding tours and other similar events as may be determined by the Board from time to time;
  - III.** Attending other registered clubs or gaming premises for the purpose of observing their facilities and methods of operation;
  - IV.** Attending conferences and training sessions in relation to their roles and responsibilities under the Registered Clubs Act, the Corporation Act 2001 and any other relevant legislation.
- C.** Reasonable costs or expenses of attending functions whilst representing the Club with partners where appropriate;
- D.** Reasonable costs or expenses of traveling by either private or public transport to and from Directors or other duly constituted meetings held within the Club or elsewhere;
- E.** Reasonable costs or expenses in relation to such other duties including entertainment of special guests of the Club and other promotional activities approved by the Board;
- F.** Reasonable costs or expenses in relation to the provision of uniforms and associated apparel for the use of each Director or Senior Manager when representing the Club;
- G.** The provision of a specially reserved parking space at the Club for the use of the President when attending the Club to carry out his duties;
- H.** Reasonable costs or expenses in relation to presentations to members (other than in the form of money) or to other persons to acknowledge services, which in the opinion of the Directors, were of benefit to the Club;
- I.** Reasonable costs or expenses relating to the sponsorship by payment of money or provision of benefits to such sporting events, sports or community organisations, which, in the opinion of the Directors will be beneficial to the Club or the community over and above such expenditure required under the Club Grants Scheme.”

## EXPLANATORY MESSAGE

Pursuant to the requirements of the Registered Clubs Act 1976, the Club is required at each Annual General Meeting to have approved by

**ORDINARY RESOLUTIONS**

## ORDINARY RESOLUTION 1 CONTINUED...

Ordinary Resolution, the benefits to be provided to the Directors of the Club. The benefits, which are provided, are the standard benefits to have been provided to Directors of the Club over a number of years. The purpose of this Resolution is to comply with the requirements of the Registered Clubs Act.

### NOTES TO MEMBERS REGARDING ORDINARY RESOLUTION 1

To be passed, Ordinary Resolution 1 must receive a simple majority of votes in its favor from those persons present at the Meeting who are eligible to vote. Proxy voting is not permitted under the Registered Clubs Act.



ORDINARY  
RESOLUTIONS

## ORDINARY RESOLUTION 2

Approval of Honoraria for Directors for the year 2017/2018.

“That pursuant to the Registered Clubs Act 1976, as amended, the members hereby approve and agree to the members of the Board, during the period preceding the next Annual General Meeting receiving Honoraria for the positions named, and the sums referred to below, in respect of services rendered to the Club and the members further acknowledge that the Honoraria are not available to members generally, but only those members who are elected to the Board of Directors of the Club:

- I. \$14,247 to the President
- II. \$7,978 to the Vice President
- III. \$3,420 to each other Director”

### EXPLANATORY MESSAGE

Pursuant to the requirements of the Registered Clubs Act 1976, the Club is required to have the Honoraria for Directors approved by the members at the Annual General Meeting. The Honoraria has been adjusted by 2.1% to reflect the increase in the Consumer Price Index (CPI) and will continue to be adjusted on an annual basis as approved at the 2011 Annual General Meeting. The purpose of this Resolution is to comply with the requirements of the Registered Clubs Act.

### NOTES TO MEMBERS REGARDING ORDINARY RESOLUTION 2

To be passed, Ordinary Resolution 2 must receive a simple majority of votes in its favor from those members present at the Meeting who are eligible to vote. Proxy voting is not permitted under the Registered Clubs Act. The Board recommends Ordinary Resolution 2 to the Meeting.

# ORDINARY RESOLUTION 3

In accordance with Article 15(c) of the Clubs Constitution, the Board of Directors recommends to the members that Mr Phillip McIntosh be awarded Life Membership in recognition of his long and meritorious service to the Club.

## EXPLANATORY MESSAGE

Pursuant to Article 15(c) of the Clubs Constitution, a member is eligible for election to Life Membership if that person has rendered outstanding, distinguished or meritorious service to the Club over a substantial period of time.

## NOTES TO MEMBERS REGARDING ORDINARY RESOLUTIONS 3

To be passed, Ordinary Resolution 3 must receive a simple majority of votes in its favor from those members present at the meeting who are eligible to vote. Proxy voting is not permitted under the Registered Clubs Act. The Board recommends Ordinary Resolution 3 to the Meeting.



# ORDINARY RESOLUTION 4

In accordance with Article 15(c) of the Clubs Constitution, the Board of Directors recommends to the members that Mr Phillip Elliott be awarded Life Membership in recognition of his long and meritorious service to the Club.

## EXPLANATORY MESSAGE

Pursuant to Article 15(c) of the Clubs Constitution, a member is eligible for election to Life Membership if that person has rendered outstanding, distinguished or meritorious service to the Club over a substantial period of time.

## NOTES TO MEMBERS REGARDING ORDINARY RESOLUTIONS 4

To be passed, Ordinary Resolution 4 must receive a simple majority of votes in its favor from those members present at the meeting who are eligible to vote. Proxy voting is not permitted under the Registered Clubs Act. The Board recommends Ordinary Resolution 4 to the Meeting.



# PRESIDENT'S REPORT

Before I commence the formalities of my report I would like to say a massive thank you to our members and the Wagga community for contributing to the success of our Food for Farms hamper drive for all those farmers who are doing it tough. We were able to send over fifty hampers of food & essentials to help alleviate some of the pressure they are dealing with in this horrendous drought. This support was coupled with over \$5000 in cash donations. Our hearts go out to the farmers and their families as most of Australia is also trying to contribute in some way.

Last year we celebrated 70 years of age for the Wagga RSL Club with a birthday party on the greens. What a great event with families filling our two greens from 4pm until well into the evening. There were jumping castles, food stalls, music and storms but a great night was had with the spectacular fireworks being a highlight. Thanks to all those who attended. The evening was so successful that the board is happy to announce that a members exclusive Christmas Party will be held on Friday December 7, again on the bowling greens.

Our management team, led by Andrew Bell, our motel group, Mat and Lauren from CNL Catering, Ivy and Alan from Pearl Chinese and all other staff have all worked together to provide a strong result for our two clubs. As a board we thank them for their efforts to produce such great venues for our members and visitors to enjoy. These results don't just happen, it takes great teamwork. Again, thanks to our club sporting groups, especially the RSL Bowling Club. Your results and efforts contribute to the success of our clubs by bringing people to enjoy your hospitality and our amenities.

A special mention to the entire team at the RSL Sub Branch. They continue to work with us and their community to provide for the well being & care of our serving and ex-serving defence force personnel. It is with great sadness that the RSL Sub Branch lost one of their own, Brian Watts. Brian was a very hard-working board member and a great person, he will be sadly missed by the Sub Branch and the RSL Club.

We have worked very hard over the last few years by remodelling the entire top floor as well as our function rooms down stairs. The result has been a huge success as members and visitors continue to relish in the change. Members were given the opportunity to participate in a questionnaire that gave us some direction and feedback on what we need to be working on over the next few years. Please continue to share any constructive feedback you may have.

Our clubs have been focusing more on becoming ecofriendly and reducing our carbon footprint. Ninety percent of our external windows at the RSL Club have been tinted resulting in massive savings on energy. This and other initiatives have reduced our green-house gas emissions by dropping our energy consumption. All plastic straws have been replaced with eco paper ones and we are conscious of educating our staff and members the importance of becoming green.

Thanks again to my board for their commitment and contribution this year. They continue to give valuable input, and all offer different skills and initiatives that assists in our clubs success. We are a strong team who continue to strive high for the benefit of our members and the community.

Thankyou



**PETER THOMAS**  
President



**BOARD  
OF  
DIRECTORS**



# DIRECTORS' REPORT

The Directors of Wagga RSL Club Ltd (the 'Club or Company') have pleasure in presenting their report together with the financial statements for the year ended 30 June 2018 and the auditor's report thereon.

## DIRECTORS

The Directors of the Club at any time during or since the financial year are:

### **PETER THOMAS** **PRESIDENT**

**YEARS OF SERVICE:** 10  
**OCCUPATION:** Manager

### **PHILLIP MCINTOSH** **VICE PRESIDENT**

**YEARS OF SERVICE:** 11  
**OCCUPATION:**  
General Manager

### **JOHN GRAY**

**YEARS OF SERVICE:** 14  
**OCCUPATION:** Retired

### **PHILLIP ELLIOTT**

**YEARS OF SERVICE:** 11  
**OCCUPATION:** Manager

### **ADAM DRUMMOND**

**YEARS OF SERVICE:** 4  
**OCCUPATION:** Online  
Media Executive

### **ANDREW** **CRAKANTHROP**

**YEARS OF SERVICE:** 4  
**OCCUPATION:**  
General Manager

### **TIM GUMBLETON**

**YEARS OF SERVICE:** 1  
**OCCUPATION:** Principal of  
Public Accounting Firm

All directors are considered to be independent non-executive directors and have been in office since the start of the financial year to the date of this report unless otherwise stated.

## DIRECTORS' MEETINGS

The number of Directors' meetings attended by each of the Directors of the Club during the year are:

<b>NAME</b>	<b>MEETINGS ATTENDED</b>	<b>MEETINGS HELD*</b>
Peter Thomas	10	11
Phillip McIntosh	11	11
John Gray	8	11
Phillip Elliott	10	11
Adam Drummond	9	11
Andrew Crakanthorp	10	11
Tim Gumbleton	9	11

\* reflects the number of meetings held during the time the Director held office during the year.

## OPERATING PROFIT

The profit of the consolidated group for the financial year after providing for income tax amounted to \$1,200,891 (2017: \$1,332,224).

## SIGNIFICANT CHANGES

No significant changes in the nature of the Company's activities occurred during the year.

## **PRINCIPAL ACTIVITIES**

The principal activities of the Company during the financial year were the operation of a licensed club.

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.

## **FUTURE DEVELOPMENTS**

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

## **ENVIRONMENTAL ISSUES**

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

## **SHORT TERM OBJECTIVES OF THE COMPANY**

The Company has identified the following short term objectives:

- × To trade profitably to guarantee future growth.
- × To provide a safe environment for Members and their guests; and
- × To continue to give Members and their guests the best service possible.

## **LONG TERM OBJECTIVES OF THE COMPANY**

The Company has identified the following long term objectives:

- × To continue to remain financially secure;
- × To grow the Company operations in accordance with Members interests and to show genuine concern for the comfort and satisfaction of Members and their guests; and
- × To continue to promote sport in the Community by providing sporting facilities for use by the Members and to be recognised for contribution to sport.

## **MEMBERSHIP**

The Club is a company limited by guarantee and without a share capital. The number of members as at 30 June 2018 was 25,361 (2017: 22,844). In the event of winding up every member undertakes to contribute \$2 during the time of membership or within one year thereafter.

## **DIVIDENDS**

In accordance with the Articles of Association, the Parent Company is a company limited by guarantee to the extent of \$2 per member and accordingly no shares or debentures have been issued and no dividends have been recommended or paid, since the start of the financial year.

## DIRECTORS' REPORT CONTINUED...

### INDEMNIFYING OFFICER OR AUDITOR

During or since the end of the financial year the company has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The company has paid premiums to insure each of the following Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the company, other than conduct involving a wilful breach of duty in relation to the company.

Mr Peter Thomas	Mr Phillip Elliott	Mr Andrew Crakanthorp
Mr Phillip McIntosh	Mr Adam Drummond	Mr Tim Gumbleton
Mr John Gray		

### LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration as required under section 307C of the Corporations Act is on page 14 and forms part of the Directors' report for the financial year ended 30 June 2018.

Dated at Wagga Wagga this 27th day of August 2018.  
Signed in accordance with a resolution of Directors.

**PETER THOMAS**  
President

**PHILLIP MCINTOSH**  
Director





# SNAPSHOT

**10,648  
FACEBOOK  
LIKERS**

**25,361  
MEMBERS**

**352,733  
VISITS TO  
OUR CLUBS**

**120  
STAFF  
EMPLOYED**

**4½ STAR  
MOTEL &  
APARTMENTS**

**9.3 / 10  
BOOKING.COM  
RATING**





**567  
FREE ROOM  
HIRES GIVEN**

**129  
COMMUNITY  
GROUPS  
SUPPORTED**

**2  
CAFES**

**5  
BARS**

**3  
RESTAURANTS**

**9  
FUNCTION  
ROOMS**

**2017 - 2018**

# LEAD AUDITOR'S INDEPENDENCE DECLARATION

**UNDER SECTION 307C OF THE  
CORPORATIONS ACT 2001**

To: the Directors of Wagga RSL Club Ltd and its  
controlled entity

I declare that, to the best of my knowledge and belief, in  
relation to the audit for the financial 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.

*Crowe Horwath*

**CROWE HORWATH ALBURY**

*Brad Bohun*

**BRADLEY D BOHUN**  
Partner

Dated at Wagga Wagga this 27th day of August 2018

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS + OTHER COMPREHENSIVE INCOME

	NOTE	2018 \$	2017 \$
Revenue	2	17,988,325	17,357,859
Cost of goods sold		(1,506,119)	(1,477,067)
Buildings and maintenance expenses		(2,857,912)	(2,557,036)
Depreciation and amortisation expenses		(1,854,244)	(1,637,174)
Employee benefits expenses	3	(4,983,904)	(4,689,874)
Members expenses and donations	4	(2,659,187)	(2,360,805)
Interest expense		(282,901)	(262,619)
Motel operating expenses		(182,912)	(204,460)
Poker machine duty		(2,174,657)	(2,152,474)
Other expenses		(754,962)	(644,914)
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>		<b>731,527</b>	<b>1,371,436</b>
Income tax benefit / (expense)		469,364	(39,212)
<b>PROFIT FOR THE YEAR</b>		<b>1,200,891</b>	<b>1,332,224</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,200,891</b>	<b>1,332,224</b>

THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME IS TO BE READ IN CONJUNCTION WITH THE NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS SET OUT ON PAGES 22 TO 45. FOR THE YEAR ENDED 30 JUNE 2018.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	484,418	526,596
Trade and other receivables	7	186,785	182,900
Inventories	8	168,651	198,757
Other assets	9	93,152	25,182
<b>TOTAL CURRENT ASSETS</b>		<b>933,006</b>	<b>933,435</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	10	790,728	718,144
Property, plant and equipment	11	31,350,158	30,430,717
Investment property	12	4,602,647	4,600,978
Intangible assets	13	1,764,616	1,624,611
<b>TOTAL NON-CURRENT ASSETS</b>		<b>38,508,149</b>	<b>37,374,450</b>
<b>TOTAL ASSETS</b>		<b>39,441,155</b>	<b>38,307,885</b>

THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION IS TO BE READ IN CONJUNCTION WITH THE NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS SET OUT ON PAGES 22 TO 45.

FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$	2017 \$
<b>CURRENT LIABILITIES</b>			
Trade and other payables	<b>14</b>	1,490,764	1,390,392
Borrowings	<b>15</b>	5,840,715	5,538,723
Provisions	<b>16</b>	571,422	520,973
<b>TOTAL CURRENT LIABILITIES</b>		<b>7,902,901</b>	<b>7,450,088</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	<b>15</b>	1,420,794	1,423,682
Deferred tax liabilities	<b>17</b>	920,130	1,437,676
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,340,924</b>	<b>2,861,358</b>
<b>TOTAL LIABILITIES</b>		<b>10,243,825</b>	<b>10,311,446</b>
<b>NET ASSETS</b>		<b>29,197,330</b>	<b>27,996,439</b>
<b>EQUITY</b>			
Reserves		7,178,435	7,178,435
Retained earnings		22,018,895	20,818,004
<b>TOTAL EQUITY</b>		<b>29,197,330</b>	<b>27,996,439</b>

FOR THE YEAR ENDED 30 JUNE 2018

THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION IS TO BE READ IN CONJUNCTION WITH THE NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS SET OUT ON PAGES 22 TO 45.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	NOTE	RETAINED EARNINGS \$	ASSET REVALUATION RESERVES \$	TOTAL EQUITY \$
<b>BALANCE AT 1 JULY 2016</b>		<b>19,485,780</b>	<b>7,178,435</b>	<b>26,664,215</b>
Profit attributable to equity		1,332,224	-	1,332,224
Revaluations		-	-	-
<b>BALANCE AT 30 JUNE 2017</b>		<b>20,818,004</b>	<b>7,178,435</b>	<b>27,996,439</b>
Profit attributable to equity		1,200,891	-	1,200,891
Revaluations		-	-	-
<b>BALANCE AT 30 JUNE 2018</b>		<b>22,018,895</b>	<b>7,178,435</b>	<b>29,197,330</b>

THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IS TO BE READ IN CONJUNCTION WITH THE NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS SET OUT ON PAGES 22 TO 45.

FOR THE YEAR ENDED 30 JUNE 2018

# CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTE	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		19,822,973	18,915,488
Payments to suppliers and employees		(17,706,481)	(15,689,615)
Dividends received		5,817	4,209
Interest received		-	123
Income taxes (paid)/refunded		469,364	(39,212)
Finance costs		(282,901)	(262,619)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>21</b>	<b>2,308,772</b>	<b>1,928,374</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for intangibles		(150,184)	-
Proceeds from sale of property, plant and equipment		266,012	238,224
Payments for property, plant and equipment		(2,764,213)	(4,156,890)
Payments for investment property		-	(2,978)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(2,648,385)</b>	<b>(3,921,644)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		1,411,875	1,103,544
Repayments for borrowings		(1,087,596)	(680,000)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>324,279</b>	<b>423,544</b>
Net increase/(decrease) in cash held		(15,334)	(569,726)
Cash at beginning of financial year		115,855	685,581
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>6</b>	<b>100,521</b>	<b>115,855</b>

FOR THE YEAR ENDED 30 JUNE 2018

THE CONSOLIDATED STATEMENT OF CASHFLOWS IS TO BE READ IN CONJUNCTION WITH THE NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS SET OUT ON PAGES 22 TO 45.

## **COMMUNITY**

**WAGGA ROTARY**

**COUNTRY MUSIC CLUB**

**WAGGA TOY RUN**

**AUSTRALIAN WAR MEMORIAL**

**WESTERN FRONT EXHIBITION**

**GOLDEN CROW AWARDS**

**SOACT**

**RIVERINA CONSERVATORIUM  
OF MUSIC**

**WAGGA LAKE BIKE & RIDE**

**FOOD & WINE FESTIVAL**

**RESPECT**



## **SPORT**

**COOLAMON FOOTBALL CLUB**

**COLLINGULLIE FOOTBALL CLUB**

**EAST WAGGA FOOTBALL CLUB**

**MURRUMBIDGEE TURF CLUB**

**WAGGA TIGERS FOOTBALL CLUB**

**WAGGA RSL CRICKET CLUB**

**WAGGA COUNTRY CLUB PRO-AM**

**HOWLONG GOLF CLUB**

**SOUTHERN SPORTS ACADEMY**

**WAGGA KANGAROO'S  
FOOTBALL CLUB**

**THE ROCK BOWLING CLUB**

**CLUB  
GRANTS**

## **HEALTH + WELFARE**

**CHILDREN'S WARD  
WAGGA BASE HOSPITAL**

**PISTIC ORPHANGE**

**WAR WIDOWS GUILD**

**PROSTATE CANCER FOUNDATION**

**RELAY FOR LIFE  
CANCER COUNCIL NSW**

**FORREST CENTRE**

**WILLANS HILL  
SCHOOL**

**WAGGA FAMILY  
SUPPORT  
GROUP**

## **CLUB FACILITIES**

**WAGGA RSL BOWLING CLUB**

**WAGGA RSL COUTRESY BUS**

**WAGGA RSL CHILDREN'S CRECHE**

**FREE ROOM HIRE FOR MANY  
COMMUNITY ORGANISATIONS**



# NOTE 1

## NOTES TO & FORMING PART OF THE FINANCIAL REPORT

### A. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards – Reduced Disclosure Regime, and complies with other requirements of the law.

The consolidated financial statements and notes represent those of Wagga RSL Club Limited and its controlled entity (“the consolidated group”). Wagga RSL Club Limited is a company limited by guarantee. The Group is a not-for-profit entity for financial reporting purposes under the Australian Accounting Standards.

#### I. REPORTING BASIS AND CONVENTIONS

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

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

### B. ACCOUNTING POLICIES PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Wagga RSL Club Limited at the end of the reporting period. A controlled entity is any entity over which Wagga RSL Club Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

### C. INVENTORIES

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

### D. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, 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 in the statement of financial position.

## **E. PROPERTY, PLANT AND EQUIPMENT**

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

### **I. PROPERTY**

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation.

Increases in the carrying amount arising on revaluation of property, plant & equipment are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of profit or loss and other comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

### **II. PLANT & EQUIPMENT**

Plant & equipment is measured on the cost basis less any depreciation and impairment losses.

### **III. DEPRECIATION**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over the assets useful life.

The depreciation rates used for each class of depreciable assets are:

#### **CLASS OF FIXED ASSET DEPRECIATION RATE**

Buildings	2.5%
Plant & Equipment	10 - 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

## **F. FINANCIAL INSTRUMENTS**

### **I. INITIAL RECOGNITION AND MEASUREMENT**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either purchase or sell the asset (ie trade date accounting adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expense to profit or loss immediately.

## **II. CLASSIFICATION AND SUBSEQUENT MEASUREMENT**

Financial assets classified as “fair value through profit or loss” are subsequently measured at fair value with changes in carrying amounts being included in profit or loss.

### **G. IMPAIRMENT OF ASSETS**

At each reporting date, the Group reviews the carrying values of its tangible and intangible 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 asset’s fair value less costs to sell and value in use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### **H. INTANGIBLES**

Poker machine licences and water licences are recorded at either cost or deemed cost and have an infinite life. Licences are assessed annually for impairment. Software assets are amortised over the useful life of the asset.

### **I. EMPLOYEE BENEFITS**

Provisions are made for the Group’s liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

### **J. PROVISIONS**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

### **K. INVESTMENT PROPERTY**

Investment property, comprising of freehold residential properties, is held to generate long-term rental yields. Investment property is initially measured at cost and subsequently measured at fair value.

Fair value of investment properties is determined every 3-5 years based on a valuation by an independent valuer who has recognised and appropriate professional qualifications. Fair values are determined by the valuer using market information, including prices for similar properties in comparable locations.

Changes to fair values of investment properties are recognised in profit or loss in the period in which they occur.

### **L. REVENUE AND OTHER INCOME**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and cessation of all involvement in those goods.

Poker machine revenue is shown net of Gaming Machine Tax that was paid to the Office of State Revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

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

## **M. GOODS AND SERVICES TAX**

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 Tax 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.

## **N. COMPARATIVE FIGURES**

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

## **O. LEASES**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases.

Finance leases are capitalised, recorded in an asset and a liability equal to present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset.

Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

## **P. INCOME TAX**

The mutuality principle has been applied to the calculation of the parent company's income tax. The club has estimated that the assessable proportion of mutual income represented by results of trading attributable to non-members of the Group is to be 18.21% (2017: 18.21%).

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Deferred income tax expense reflects the movements in deferred tax assets and deferred tax liability balances during the year.

## **Q. TRADE AND OTHER PAYABLES**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the group during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

## **R. FAIR VALUE OF ASSETS AND LIABILITIES**

The Group measures some of its assets and liabilities at fair value on either a recurring or non-occurring basis, depending on the requirements of the applicable accounting standards.

“Fair Value” is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market data that maximises the receipts from the sale of the assets or minimize the payments made to transfer the liability, after taking into account transaction costs).

For non-financial assets, the fair value measurement also takes into account a market participant’s ability to use the assets in its highest and best use or to sell it to another market participant that would use the assets in its highest and best use.

## **5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The Directors evaluate estimates and judgements incorporated into the financial statements 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 within the Group.

## **T. LAND & BUILDINGS (OWNER OCCUPIED & INVESTMENT PROPERTY)**

The freehold land and buildings of core property were independently valued at 30 June 2015 by Preston Rowe Paterson. The valuation was based on fair value in use for financial reporting purposes assuming part of a viable going concern. The critical assumptions adopted in determining the valuation included the location of the land and building, the demand for land and building in the area and recent sales data for similar properties. Where the investment income capitalisation approach was used the value was determined using a capitalisation rate of 13% and 14%.

The investment properties were independently valued at 30 June 2015 by Preston Rowe Patterson. The valuation was based on fair market value. The critical assumptions adopted in determining the valuation include the location of the land and buildings, the demand for land and building in the area and recent sales data for similar properties.

The freehold land and buildings of other property were independently valued at 31 August 2015 by Opteon Property Group. The valuation was based on fair value in use for financial reporting purposes assuming part of a viable going concern. The critical assumptions adopted in determining the valuation included the location of the land and building, the demand for land and building in the area and recent sales data for similar properties. Where the investment income capitalisation approach was used the value was determined using a capitalisation rate of 14%.

## U. TAXATION

The mutuality methodology applied is the result of door counts which are considered to be reasonably representative of members vs non-members accessing the Club and generating profits.

Capital gains tax calculations are performed with land and building valuation data referred to above and historical tax base data as retained by the Club.

## V. GOING CONCERN BASIS OF PREPARATION

The Group reports a working capital deficiency of \$6,969,895 (2017: deficit \$6,516,653). The financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group's ability to remain a going concern is dependent upon the continuing surpluses from operations. In the current year the Group produced a surplus of \$2,308,772 (2017: \$2,928,374) and on this basis the Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.





**NOTE 2**

## **REVENUE + OTHER INCOME**

	<b>2018</b> \$	<b>2017</b> \$
<b>REVENUE</b>		
Sale of goods	3,262,878	3,068,461
Accommodation income	1,622,078	1,629,227
Gaming income	11,460,756	10,538,102
Commissions	171,275	383,826
Membership subscriptions	120,225	103,229
Dividends received	5,817	4,209
Interest income	-	123
Sundry income	683,503	1,047,426
Rental income	347,847	322,196
Revaluation of investments	48,641	81,938
Profit/(loss) on sale of assets	265,305	179,122
	<b>17,988,325</b>	<b>17,357,859</b>

**NOTE 3****EMPLOYEE EXPENSES**

	<b>2018</b> \$	<b>2017</b> \$
Salaries and wages	4,030,391	3,854,289
Superannuation	401,363	386,163
Movement in employee leave entitlements	42,843	(62,696)
Other employee related costs	509,307	512,118
	<b>4,983,904</b>	<b>4,689,874</b>

**MEMBERS EXPENSES + DONATIONS****NOTE 4**

	<b>2018</b> \$	<b>2017</b> \$
Raffles and trophies	831,162	833,070
Members amenities	497,849	407,564
Promotions	511,373	271,855
Sponsorship and donations	259,904	468,283
Club points redeemed	446,024	252,236
Other member expenses	112,875	127,797
	<b>2,659,187</b>	<b>2,360,805</b>

# NOTE 5

## INCOME TAX EXPENSE

	2018 \$	2017 \$
<b>THE COMPONENTS OF THE TAX EXPENSE COMPRISE:</b>		
Total income tax payable for this year	47,554	48,351
Movements in deferred tax liability	(517,546)	(9,139)
Under/(over) provided in prior years	627	-
<b>INCOME TAX EXPENSE</b>	<b>(469,365)</b>	<b>39,212</b>

### THE PRIMA FACIE TAX ON PROFIT

#### SALES REVENUE

Mutual income	13,553,089	12,999,703
Fully taxable	3,207,775	3,107,781
Non taxable (exempt income)	444,679	383,638
	<b>17,205,543</b>	<b>16,491,122</b>

#### TAXABLE INCOME

Non member's income (18.21%)	2,467,541	2,366,789
Fully taxable income	3,207,775	3,107,781
	<b>5,675,316</b>	<b>5,474,570</b>

	<b>2018</b> \$	<b>2017</b> \$
<b>ALLOWABLE EXPENSES</b>		
Non members expenses (18.21%)	2,275,296	2,031,741
Fully deductible expenses	3,178,920	3,074,613
Prior years tax losses utilised	39,808	201,032
	<b>5,494,025</b>	<b>5,307,386</b>
<b>TAXABLE INCOME</b>	<b>181,291</b>	<b>167,184</b>
<b>TAX AT 30%</b>	<b>49,855</b>	<b>50,155</b>
Less tax effect of franking credits	(2,301)	(1,804)
Movements in deferred tax liability	(517,546)	(9,139)
Under/(over) provided in prior years	627	-
<b>INCOME TAX ATTRIBUTED TO THE GROUP</b>	<b>(469,365)</b>	<b>39,212</b>

# NOTE 6

## CASH + CASH EQUIVALENTS

	2018 \$	2017 \$
Cash on Hand	457,669	431,302
Cash at Bank	26,749	95,294
	<b>484,418</b>	<b>526,596</b>

### RECONCILIATION OF CASH

Cash at the end of the financial year as shown in the consolidated statement of financial position as follows:

Cash & Cash Equivalents	484,418	526,596
Bank Overdraft (Note 15)	(383,897)	(410,741)
<b>CASH &amp; CASH EQUIVALENTS PER STATEMENT OF CASH FLOW</b>	<b>100,521</b>	<b>115,855</b>

# NOTE 7

## TRADE + OTHER RECEIVABLES

	2018 \$	2017 \$
<b>CURRENT</b>		
Trade Debtors	186,785	182,900
	<b>186,785</b>	<b>182,900</b>

## INVENTORIES

NOTE 8

	2018 \$	2017 \$
<b>CURRENT</b>		
At cost:	168,651	198,757
<b>STOCK ON HAND</b>	<b>168,651</b>	<b>198,757</b>

NOTE 9

## OTHER ASSETS

	2018 \$	2017 \$
<b>CURRENT</b>		
Prepayments	93,152	25,182
<b>TOTAL OTHER ASSETS</b>	<b>93,152</b>	<b>25,182</b>

## FINANCIAL ASSETS

NOTE 10

	2018 \$	2017 \$
<b>NON-CURRENT</b>		
LSL Investment Portfolio – at market value	148,442	135,158
Shares in Listed Companies – at market value	24,341	24,320
BT Portfolio – at market value	617,945	558,666
	<b>790,728</b>	<b>718,144</b>

# PROPERTY, PLANT + EQUIPMENT

## NOTE 11

2018  
\$

2017  
\$

### LAND AND BUILDINGS

#### FREEHOLD LAND AT FAIR VALUE

Land – Core Property	3,375,000	3,375,000
Land - Other	1,070,000	1,070,000
	<b>4,445,000</b>	<b>4,445,000</b>

#### BUILDINGS AT FAIR VALUE

Buildings (core property) – at fair value	15,290,000	15,290,000
Building (other) at fair value	4,860,000	4,860,000
Building additions – at cost	7,482,047	2,917,952
Less: accumulated depreciation	(4,711,087)	(1,213,461)
	<b>22,920,960</b>	<b>21,854,491</b>

#### PLANT AND EQUIPMENT

At Cost	13,187,310	11,660,822
Less: accumulated depreciation	(9,350,096)	(8,536,881)
	<b>3,837,214</b>	<b>3,123,941</b>

#### CAPITAL WORK IN PROGRESS

	<b>146,984</b>	<b>1,007,285</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>31,350,158</b>	<b>30,430,717</b>

## A. 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.

	<b>FREEHOLD LAND \$</b>	<b>BUILDINGS \$</b>	<b>PLANT &amp; EQUIPMENT \$</b>	<b>WORK IN PROGRESS \$</b>	<b>TOTAL \$</b>
<b>BALANCE AT 1 JULY 2016</b>	<b>4,445,000</b>	<b>20,476,824</b>	<b>3,048,279</b>	<b>356,887</b>	<b>27,970,103</b>
Reallocations	-	2,007,601	-	(2,007,601)	-
Additions	-	-	1,498,891	2,657,999	4,156,890
Disposals	-	-	(59,102)	-	(59,102)
Depreciation expense	-	(629,934)	(1,007,240)	-	(1,637,174)
<b>BALANCE AT 30 JUNE 2017</b>	<b>4,445,000</b>	<b>21,854,491</b>	<b>3,123,941</b>	<b>1,007,285</b>	<b>30,430,717</b>
Reallocations	-	1,007,285	-	(1,007,285)	-
Additions	-	681,299	1,935,930	146,984	2,764,213
Disposals	-	-	(707)	-	(707)
Depreciation expense	-	(622,115)	(1,221,950)	-	(1,884,065)
<b>BALANCE AT 30 JUNE 2018</b>	<b>4,445,000</b>	<b>22,920,960</b>	<b>3,837,214</b>	<b>146,984</b>	<b>31,350,158</b>

## B. ASSET REVALUATIONS

The freehold land and buildings (core property) were independently valued at 30 June 2015 by Preston Rowe Paterson. The movement in valuation has been recorded through the asset revaluation reserve.

## C. ASSET REVALUATIONS - OTHER

The freehold land and buildings (other) were independently valued at 31 August 2015 by Opteon Property Group. The movement in valuation has been recorded through the asset revaluation reserve.

The directors are satisfied that land and buildings are not impaired.

# INVESTMENT PROPERTY

## NOTE 12

	2018 \$	2017 \$
Investment Property - at market value	4,602,647	4,600,978

### MOVEMENTS IN CARRYING AMOUNTS

Movement in the carrying amounts for investment property between the beginning and the end of the current financial year is as follows:

<b>BALANCE AT 30 JUNE 2017</b>	<b>4,600,978</b>	<b>4,598,000</b>
Additions	1,669	2,978
Revaluations – to profit and loss	-	-
<b>CARRYING AMOUNT AT 30 JUNE 2018</b>	<b>4,602,647</b>	<b>4,600,978</b>

## NOTE 13

# INTANGIBLE ASSETS

	2018 \$	2017 \$
Poker Machine Entitlements - at cost	1,621,986	1,621,986
Water Licenses – at cost	2,625	2,625
Software - at cost	150,184	-
Less: accumulated impairment expense	(10,179)	-
<b>TOTAL</b>	<b>1,764,616</b>	<b>1,624,611</b>

**NOTE 14**

**TRADE +  
OTHER PAYABLES**

	<b>2018</b> \$	<b>2017</b> \$
<b>CURRENT</b>		
Accrued Expenditure	196,151	187,239
Trade Creditors	909,985	963,269
Income Tax Payable	70,240	48,351
Other Creditors	94,774	17,436
GST Payable	219,614	174,097
	<b><u>1,490,764</u></b>	<b><u>1,390,392</u></b>





**NOTE 15**

## BORROWINGS

	2018 \$	2017 \$
<b>CURRENT</b>		
Bank Overdraft	383,897	410,741
Bank Bills	4,400,313	4,003,313
Other Bank Loans	1,056,505	1,124,669
<b>TOTAL CURRENT BORROWINGS</b>	<b>5,840,715</b>	<b>5,538,723</b>
<b>NON-CURRENT</b>		
Other Bank Loans	1,420,794	1,423,682
<b>TOTAL NON-CURRENT BORROWINGS</b>	<b>1,420,794</b>	<b>1,423,682</b>
<b>TOTAL BORROWINGS</b>	<b>7,261,509</b>	<b>6,962,405</b>

The borrowings are secured by:

- |   |  |
|---|--|
| <p><b>A.</b> Registered mortgage over the Commercial Club premises located at 77 Gurwood Street Wagga;</p> <p><b>B.</b> Registered mortgage over the Wagga RSL Club premises located at Dobbs Street Wagga;</p> <p><b>C.</b> Registered mortgage over Wagga RSL Motel premises located at 156 Kincaid Street Wagga;</p> <p><b>D.</b> Registered mortgage over property located at 149 Gurwood Street Wagga;</p> | <p><b>E.</b> Registered mortgage over properties located at 18, 20, 22 Goonigul Avenue Wagga;</p> <p><b>F.</b> Registered mortgage over property located at 158 Kincaid Street Wagga;</p> <p><b>G.</b> Deed of covenant over the club including charge over liquor licence;</p> <p><b>H.</b> Fixed and floating charge over all existing and future assets and undertakings.</p> |
|---|--|

**NOTE 16****PROVISIONS**

	2018 \$	2017 \$
Provision for employee entitlements	475,233	432,389
Club points	96,189	88,584
<b>TOTAL PROVISIONS</b>	<b>571,422</b>	<b>520,973</b>

**NOTE 17****DEFERRED TAX  
LIABILITIES**

	2018 \$	2017 \$
Deferred Tax Liabilities	920,130	1,437,676

## NOTE 18

# COMPANY DETAILS

The Registered Office and Principle place of business is Dobbs Street, Wagga Wagga NSW 2650.

## NOTE 19

# KEY MANAGEMENT PERSONNEL COMPENSATION

	2018 \$	2017 \$
Total Compensation	1,029,292	856,792

## NOTE 20

# RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions. These terms and conditions are no more favourable than those available to other parties unless otherwise stated.

# CASH FLOW INFORMATION

## NOTE 21

	2018 \$	2017 \$
<b>RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT AFTER INCOME TAX</b>		
Profit (Loss) after income tax	1,200,891	1,332,224
<b>NON-CASH FLOWS IN PROFIT</b>		
(Profit)/loss on disposal of non-current assets	(265,305)	(179,122)
Change in net market value of investments	(72,584)	(98,013)
Depreciation and Amortisation	1,854,244	1,637,174
<b>CHANGES IN ASSETS AND LIABILITIES, NET OF THE EFFECTS OF PURCHASE AND DISPOSALS OF SUBSIDIARIES</b>		
(Increase) Decrease in inventories	30,106	(58,906)
(Increase) Decrease in receivables	(3,885)	(29,915)
(Increase) Decrease in other assets	(67,970)	(10,259)
Increase (Decrease) in trade creditors	100,372	502,569
Increase (Decrease) in provisions	50,449	(158,239)
Increase (Decrease) in deferred tax liability	(517,546)	(9,139)
	<b><u>2,308,772</u></b>	<b><u>2,928,374</u></b>

# NOTE 22

## PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

	2018 \$	2017 \$
<b>FINANCIAL POSITION</b>		
<b>ASSETS</b>		
Current assets	1,895,910	2,106,512
Non-current assets	33,997,287	32,640,733
<b>TOTAL ASSETS</b>	<b>35,893,197</b>	<b>34,747,245</b>
<b>LIABILITIES</b>		
Current liabilities	5,729,332	3,803,726
Non-current liabilities	504,883	1,519,532
<b>TOTAL LIABILITIES</b>	<b>6,234,215</b>	<b>5,323,258</b>
<b>NET ASSETS</b>	<b>29,658,982</b>	<b>29,423,987</b>
<b>EQUITY</b>		
Retained earnings	25,648,266	25,413,271
Reserves	4,010,716	4,010,716
<b>TOTAL EQUITY</b>	<b>29,658,982</b>	<b>29,423,987</b>
<b>COMPREHENSIVE INCOME</b>		
Total profit	681,402	1,312,956
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>681,402</b>	<b>1,312,956</b>
<b>GUARANTEES</b>		
Wagga RSL Club Limited has provided a debt and interest guarantee over the borrowings of its subsidiary.		
<b>CARRIED FORWARD TAXES AND LOSSES</b>		
<b>BALANCE ATTRIBUTABLE TO THE PARENT ENTITY</b>	<b>1,281,957</b>	<b>1,559,148</b>

# NOTE 23

## CAPITAL + LEASING OPPORTUNITIES

The following represent commitments that are contracted but not capitalised in the financial statements. Commitments include operating leases for plant & equipment and capital projects currently in progress.

	<b>2018</b> \$	<b>2017</b> \$
Not later than 12 months (inc GST)	52,787	58,175
Between 12 months and 5 years (inc GST)	119,901	172,688
Greater than 5 years	-	-
	<b>172,688</b>	<b>230,863</b>

# NOTE 24

## MEMBERS GUARANTEE

The parent entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding and obligations of the entity. At 30 June the number of members was 25,353.

## NOTE 25

# FAIR VALUE MEASUREMENTS

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

- × **LEVEL 1** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- × **LEVEL 2** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- × **LEVEL 3** Unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

## VALUATION TECHNIQUES

The group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

- × **Market approach:** valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- × **Income approach:** valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- × **Cost approach:** valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

## FAIR VALUE MEASUREMENT

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when

pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following table provides the fair values reported in the financial statements that are measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

<b>RECURRING FAIR VALUE MEASUREMENTS</b>	<b>NOTE</b>	<b>LEVEL 1 \$</b>	<b>LEVEL 2 \$</b>	<b>LEVEL 3 \$</b>	<b>TOTAL \$</b>
<b>30 JUNE 2018</b>					
Financial Assets	<b>10</b>	790,728	-	-	790,728
Land & Buildings	<b>11</b>	-	27,365,960	-	27,365,960
Investment property	<b>12</b>	-	4,602,647	-	4,602,647

# DIRECTORS' DECLARATION

The Directors of Wagga RSL Club Ltd (the 'Club') declare that:

A. The financial statements and notes as set out on pages 15 to 45 are in accordance with the Corporations Act 2001, including:

- x giving a true and fair view of the financial position of the Club and its controlled entities as at 30 June 2018 and of their performance and represented by the results of their operations and cash flows, for the year ended on that date; and
- x complying with Accounting Standards in Australia - Reduced Disclosure Requirements and the Corporations Regulations 2001; and

B. in the Directors opinion there are reasonable grounds to believe that the Club will be able to pay its debts as and when they fall due.

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



**MR PETER THOMAS**  
Director



**MR PHILLIP MCINTOSH**  
Director

Dated at Wagga Wagga this 27th day of August 2018

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WAGGA RSL CLUB LTD

## REPORT ON THE FINANCIAL STATEMENTS

### OPINION

We have audited the financial report of Wagga RSL Club Ltd and its controlled entity (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- A. giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- B. 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 Group 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## AUDITOR'S REPORT CONTINUED...

### RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL REPORT

The directors of the Group 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 Group or to cease operations, or have no realistic alternative but to do so.

### AUDITOR'S RESPONSIBILITIES 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 Group'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 Group'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 Group 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.

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 the audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**CROWE HORWATH  
ALBURY**



**BRADLEY D BOHUN**  
Partner

Dated at Wagga Wagga this 27th day of August 2018

## **WAGGA RSL**

Dobbs Street, Wagga Wagga

## **COMMERCIAL CLUB**

Gurwood Street, Wagga Wagga

**WAGGARSL.COM.AU**

