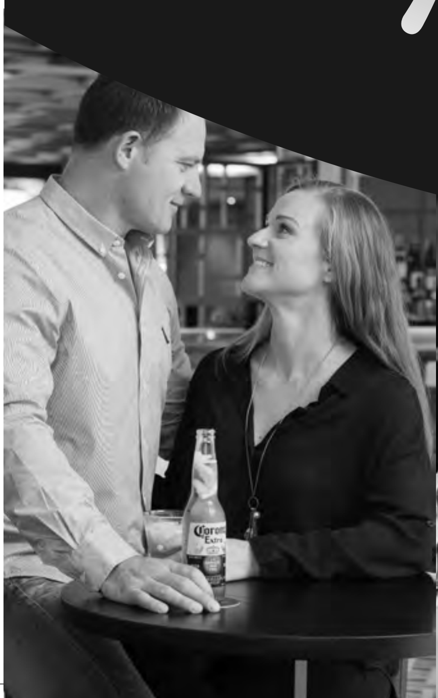
ANNUAL REPORT 2017

EARLWOOD-BARDWELL PARK RSL CLUB LTD

ABN 67 000 994 794

ebp RSL




Earlwood-Bardwell Park RSL Club Limited

ABN 67 000 994 794
Annual report for the year ended 31 December 2017

Contents

Directors' report

Your directors present their report on the Company for the financial year ended 31 December 2017.

Directors

The names of the directors in office at any time during or since the end of the year are:

M B Plater	**- Chairman**
Qualifications	- Retired
Experience	- Board member since 1999
Meetings	- Attended 12 out of 13 Directors' meetings
R E Collier	**- Deputy Chairman**
Qualifications	- Retired
Experience	- Board member since 1997
Meetings	- Attended 13 out of 13 Directors' meetings
S B Murray	**- Director**
Qualifications	- Retired
Experience	- Board member since 1996
Meetings	- Attended 13 out of 13 Directors' meetings
T W Lewis	**- Director**
Qualifications	- Retired
Experience	- Board member since 1996
Meetings	- Attended 13 out of 13 Directors' meetings
B W White	**- Director**
Qualifications	- Recoveries Officer
Experience	- Board member since 1998
Meetings	- Attended 12 out of 13 Directors' meetings
G Bernhardt	**- Director**
Qualifications	- Licensed Real Estate Proprietor
Experience	- Board member since 2007
Meetings	- Attended 11 out of 13 Directors' meetings
J Farquharson	**- Director**
Qualifications	- Administration Manager
Experience	- Board member since 2016
Meetings	- Attended 10 out of 13 Directors' meetings

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activity of the Club in the course of the financial year was to provide members and their guests with the amenities and facilities usually associated with a social club. No significant change in the nature of the activity occurred during the year.

The company's short and long term objectives are to generate sufficient operating profits to:

- continually provide improved amenities and facilities to members and their guests; and
- meet and exceed its community development and support expenditure.

To achieve these objectives, the Club has adopted the following strategies:

- The club strives to attract and retain quality staff who are committed to the club, its members and guests. The club believes that attracting and retaining quality staff will assist with the success of the club in both the short-term and long-term.
- Continually re-investing profits generated back into the facilities of the club to provide an attractive venue for patrons to visit and utilise.

Review of operations and financial results

The Club measures its performance against the 'profit before tax' key performance indicator. The Club's higher profit before tax of $3,907,943 (2016: $3,899,636) is predominantly due to increased Gaming revenue. The cash funds generated from trading were largely used to finance the renovations and improvements to the indoor club facilities with an emphasis on furniture and fixtures. The result for year ended 31 December 2017 represents a 52 week period ending 31 December 2017 (2016: 52 week period ending 1 January 2017).

Capital and membership

The Club is incorporated under the Corporations Act 2001 and is a company limited by guarantee and as such has no share capital. If the company is wound up, the constitution states, that each member is required to contribute a maximum of $5 each towards meeting any outstanding obligations of the company. At 31 December 2017 the collective liability of members was $54,390 (2016: $58,500). The number of members at 31 December 2017 was 96 Category A Members and 10,782 Category B Members (2016: 120 Category A Members and 11,580 Category B Members).

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3 and forms part of this Directors report.

Signed in accordance with a resolution of the Board of Directors:

MBPlater

Merrick Plater
Chairman

Bardwell Park, dated this 15th day of February 2018

Grant Thornton

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration to the Directors of Earlwood-Bardwell Park RSL Club Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Earlwood-Bardwell Park RSL Club Limited for the year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

P J Woodley
Partner - Audit & Assurance

Sydney, 15 February 2018

Statement of profit or loss and other comprehensive income

For year ended 31 December 2017

	Note	2017 $	2016 $
Revenue	2	21,592,935	21,021,618
Gaming machine expenses		(7,452,366)	(7,215,322)
Bar and coffee bar expenses		(2,521,842)	(2,380,475)
Keno expenses		(6,245)	(7,212)
Greens expenses		(70,000)	(77,939)
Administration expenses		(7,443,225)	(7,254,686)
Finance costs		(58,624)	(58,866)
Rental property expenses		(132,690)	(127,482)
Profit before income tax	3	3,907,943	3,899,636
Income tax expense	4	(196,992)	(168,450)
Profit after income tax		3,710,951	3,731,186
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**3,710,951**	**3,731,186**

Statement of financial position

As at 31 December 2017

	Note	2017 $	2016 $
Current assets			
Cash and cash equivalents	7	6,347,468	12,302,400
Trade and other receivables	8	87,017	22,540
Inventories	9	85,173	88,720
Prepayments		135,957	129,767
Other financial assets	10	12,407,364	2,658,755
Total current assets		19,062,979	15,202,182
Non-current assets			
Property, plant and equipment	11	21,921,588	22,130,212
Investment property	12	1,675,066	1,737,547
Intangible assets	13	1,573,589	1,573,589
Deferred tax assets	14	50,869	53,315
Total non-current assets		25,221,112	25,494,663
Total assets		44,284,091	40,696,845
Current liabilities			
Trade and other payables	15	1,330,104	1,404,992
Short-term provisions	16	1,028,843	987,854
Current tax payable	14	63,568	53,811
Borrowings	17	669,171	626,361
Total current liabilities		3,091,686	3,073,018
Non-current liabilities			
Long-term provisions	16	77,348	81,811
Borrowings	17	505,752	643,662
Total non-current liabilities		583,100	725,473
Total liabilities		3,674,786	3,798,491
Net assets		**40,609,305**	**36,898,354**
Equity			
Retained earnings		40,609,305	36,898,354
Total equity		**40,609,305**	**36,898,354**

Statement of changes in equity

For year ended 31 December 2017

	Retained earnings $	Total $
Balance at 1 January 2016	33,167,168	33,167,168
Total comprehensive income	3,731,186	3,731,186
Balance at 31 December 2016	36,898,354	36,898,354
Total comprehensive income	3,710,951	3, 710,951
Balance at 31 December 2017	40,609,305	40,609,305

Statement of cash flows

For year ended 31 December 2017

	Note	2017 $	2016 $
Cash flow from operating activities			
Receipts from customers		23,264,587	22,783,717
Payments to suppliers and employees		(12,818,492)	(12,008,362)
Gaming duty paid		(3,988,005)	(3,933,235)
Interest received		423,166	350,143
Interest paid		(58,624)	(58,866)
Income tax paid		(184,789)	(183,584)
Net cash provided by operating activities	20a	6,637,843	6,949,813
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		22,000	50,000
Purchase of property, plant and equipment		(2,771,066)	(7,078,154)
Purchase of intangible assets		-	(243,596)
(Proceeds from) / payments for term deposits		(9,748,609)	723,857
Net cash used in investing activities		(12,497,675)	(6,547,893)
Cash flow from financing activities			
Repayment of hire purchase liabilities		(672,100)	(542,449)
Proceeds of hire purchase liabilities		577,000	795,308
Net cash (used in)/ provided by financing activities		(95,100)	252,859
Net increase in cash held		(5,954,932)	654,779
Cash at beginning of year		12,302,400	11,647,621
Cash at end of year	7	6,347,468	12,302,400

Notes to the financial statements

For the year ended 31 December 2017

Note 1: Statement of significant accounting policies

General information and statement of compliance

The financial report includes the financial statements and notes of Earlwood-Bardwell Park RSL Club Limited. Earlwood-Bardwell Park RSL Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001*. Earlwood-Bardwell Park RSL Club Limited is a not-for-profit entity for the purpose of preparing the financial statements.

These financial statements for the year ended 31 December 2017 were approved and authorised for issue by the Board of Directors on 15 February 2018.

Summary of accounting policies

Reporting basis and conventions

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. The accounting policies have been consistently applied, unless otherwise stated. The measurement bases are more fully described in the accounting policies below. The result for year ended 31 December 2017 represents a 52 week period ending 31 December 2017 (2016: 52 week period ending 1 January 2017).

New and revised standards that are effective for these financial statements

A number of new and revised standards became effective for annual periods beginning on or after 1 January 2017. The adoption of these standards has not had a material impact on the Company.

New and revised standards that are issued but not effective for these financial statements

AASB 9 Financial Instruments (December 2014) Effective date: 1 January 2018

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities.

The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2018.

Note 1: Statement of significant accounting policies (cont)

AASB 15 Revenue from Contracts with Customers Effective date: 1 January 2018

AASB 15 establishes a new revenue recognition model, changes the basis for deciding whether revenues is to be recognised over time or at a point in time, provides new and more detailed guidance on specific topics, and expands and improves disclosures about revenue.

The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2018.

AASB 16 Leases Effective date: 1 January 2019

AASB 16 replaces AASB 117 Leases and some lease-related interpretations, requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases. It provides new guidance on the application of the definition of lease and on sale and lease back accounting.

The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ended 31 December 2019.

Accounting policies

a. Income Tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the statement of financial position date.

Due to the doctrine of mutuality, the club is taxed on net income from non-members and other external sources only, and accordingly taxable income does not relate to net profit before tax disclosed in the statement of profit or loss and other comprehensive income.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Club's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Note 1: Statement of significant accounting policies (cont)

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

b. Inventories

Liquor and food stocks have been valued at the lower of cost and net realisable value, on a first-in first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Full provision has been made for deterioration and obsolescence of inventories where appropriate.

c. Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at cost, less subsequent depreciation for buildings.

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 by directors to ensure it is not in excess of the recoverable amount from these 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 been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the club and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial year in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements. Depreciation rates used for each class of depreciable assets are:

Class of fixed asset	**Depreciation rate**
Buildings	2-5%
Leasehold improvements	7-27%
Motor vehicles	15%
Furniture, fittings, and equipment	2.5-40%

The assets' residual values and useful lives are updated as required, but at least annually.

Note 1: Statement of significant accounting policies (cont)

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 or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

d. Investment Property

Investment property, comprising rental properties, is held to generate long-term rental yields and capital appreciation. All tenant leases are on an arm's length basis. Investment property is carried at cost, less subsequent depreciation.

Class of asset	**Depreciation**
Investment property	2-3%

e. Leased Assets

Finance leases

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards of ownership of the leased asset. Where the Club is a lessee in this type of arrangement, the related asset is recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments. A corresponding amount is recognised as a finance lease liability.

Operating leases

All other leases are treated as operating leases. Where the Club is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

f. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Impairment

At each reporting date, the club assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

Note 1: Statement of significant accounting policies (cont)

g. Impairment of Assets

At each reporting date, the club 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 club estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h. Intangible Assets

Gaming machine entitlements are valued in the accounts at cost of acquisition. Gaming machine entitlements are not amortised as these entitlements have an indefinite life for which value in use exceeds original cost. The balance is reviewed annually and any balance representing future benefits for which the realisation is considered to be no longer probable is written off.

Gaming licences are valued in the accounts at cost of acquisition less amortisation over the life of the licence.

i. Employee Benefits

Provision is made for the club's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year, together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at their net present value.

j. Provisions

Provisions are recognised when the club 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.

k. 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.

Cash held in term deposits with a maturity date greater than three months from year-end are classified as other financial assets.

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions.

Note 1: Statement of significant accounting policies (cont)

l. Revenue

Revenue from the sale of goods (from the provision of beverages, food and other goods) and rendering of service (comprising revenues from gaming facilities, commissions and other services) is recognised upon the delivery of goods and services to customers.

Membership subscriptions are recognised in respect of the membership year to which it relates.

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

The company earns rental income from operating leases of its investment properties. Rental income is recognised on a straight-line basis over the term of the lease.

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

m. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of these assets, until such time as the assets are substantially ready for their intended use of sale. All other borrowing costs are recognised expensed in the year in which they are incurred.

n. Comparative Figures

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

o. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

p. Company Limited by Guarantee

On the 16th of May 1972, the club was incorporated in New South Wales under the NSW Companies Act 1961, as a company limited by guarantee. The amount of the guarantee is limited by the memorandum of association to $5 per member. This guarantee is not capable of being called up except for the purpose of winding up of the Club.

q. Critical accounting estimates and judgments

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Note 1: Statement of significant accounting policies (cont)

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverably amount, which is the higher of its fair value less costs to sell and its value in use. At each reporting date, the company 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 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 useful life.

Customer Loyalty Program

The company operates a loyalty program where customers accumulated points for dollars spent. The award points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of the sale. Expense from the award points is recognised when the points are redeemed. The amount of expense is based on the number of points redeemed relative to the total number expected to be redeemed.

Long Service Leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 2: Revenue

	2017 $	2016 $
Revenue		
Gaming machine	18,022,860	17,655,743
Bar and restaurant	2,567,461	2,442,557
Keno commissions	92,790	89,516
Green fees	11,061	13,843
Rental income	13,000	13,000
Gym revenue	129,872	131,820
Property rental income	178,628	170,766
Other income	154,097	154,230
	21,169,769	20,671,475
Interest received	423,166	350,143
Total Revenue	21,592,935	21,021,618

Note 3: Profit before income tax

	2017	2016
Expenses	**$**	**$**
Cost of sales	897,704	873,935
Finance costs – external	58,624	58,866
Depreciation of non-current assets		
- property, plant and equipment	2,611,463	2,145,448
- investment property	62,481	62,482
- leasehold improvements	297,714	266,474
Net loss on disposal of non-current assets		
- property, plant and equipment	48,512	446,535
Rental expense on operating leases		
- minimum lease payments	57,002	54,934
Employee related expenses	4,137,540	3,952,475
Expenses incurred in relation to rental property	132,690	127,482

Note 4: Income Tax Expense

	2017	2016
	$	**$**
a. The components of tax expense comprise:		
Current tax	194,546	175,342
Deferred tax	2,446	(6,892)
	196,992	168,450
b. The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax payable on profit before income tax at 30% (2016: 30%)	1,172,383	1,169,890
Add tax effect of:		
- other non-deductible items	21,257	11,782
Less tax effect of:		
- other non-deductible items		
- tax loss on sale of fixed assets	2,050	20,379
- income tax attributable to members	857,134	857,382
- capital allowance (2.5% building write-off)	3,063	3,309
- allowable depreciation	140,876	130,434
- (over)/under state of prior year income tax receivable	(6,475)	1,718
Income tax expense	196,992	168,450
The applicable weighted average effective tax rates are as follows:	5.0%	4.32%

Note 5: Key Management Personnel Compensation

Key Management Personnel

a. Directors

The directors who have held office during the financial year are:

M B Plater	R E Collier	B W White
T W Lewis	J Farquharson	
S B Murray	G Bernhardt	

b. Key management personnel

Key management personnel are the Directors and Executives of Earlwood-Bardwell Park RSL Club Limited. Compensation paid to the key management personnel during the financial year is:

	2017	2016
	$	**$**
Total compensation	1,005,084	965,597

Note 6: Auditors' Remuneration

	2017 $	2016 $
Remuneration of the auditor for:		
- audit services	49,950	48,500
- other services	9,900	9,900
Total audited remuneration	59,850	58,400

Note 7: Cash and Cash Equivalents

	2017 $	2016 $
Cash, at bank and on hand	6,347,468	12,302,400

Note 8: Trade and Other Receivables

	2017 $	2016 $
Trade receivables	5,427	4,975
Impairment of receivables	(225)	(225)
Other receivables	81,815	17,790
Total trade and other receivables	87,017	22,540

Trade receivables are non-interest bearing and are generally on 30 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. No impairment loss was recognised at balance date. At 31 December 2017, the ageing analysis of trade receivables is as follows:

	Total $	0-30 days $	31-60 days $	61-90 days $	+91 days $
Trade receivables	5,427	4,567	-	860	-

Note 9: Inventories

	2017 $	2016 $
Current		
Liquor and food supplies at cost	85,173	88,720

Note 10: Other Financial Assets

	2017 $	2016 $
Current		
Term deposits	12,407,364	2,658,755

Note 11: Property, Plant and Equipment

	2017	2016
Land and buildings		
Freehold land and buildings at cost:	$	$
Hartill-Law Avenue, Bardwell Park	190,000	190,000
Buildings	17,126,420	16,562,749
Less accumulated depreciation	(6,411,221)	(5,992,990)
Total land and buildings	10,905,199	10,759,759
Leasehold improvements		
Leasehold improvements at cost:		
Doris Avenue, Earlwood	3,664,638	3,540,746
Less accumulated amortisation	(1,436,472)	(1,138,757)
Total leasehold improvements	2,228,166	2,401,989
Furniture, fittings and equipment		
At cost	19,001,364	18,152,565
Less accumulated depreciation	(10,309,686)	(9,222,653)
Total furniture, fittings and equipment	8,691,678	8,929,912
Motor vehicles		
At cost	72,578	72,578
Less accumulated depreciation	(44,883)	(34,026)
Total motor vehicles	27,695	38,552
Construction work in progress, at cost	68,850	-
Total property, plant and equipment	21,921,588	22,130,212

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:

	Freehold Land & Buildings	Leasehold Improvements	Motor Vehicles	Total Furniture, Fittings & Equipment	Construction work in progress	Total
	$	$	$	$	$	$
1 January 2017	10,759,759	2,401,989	38,552	8,929,912	-	22,130,212
Additions	-	-	-	1,627,507	1,143,559	2,771,066
Disposals	-	-	-	(70,512)	-	(70,512)
Transfers	563,671	123,892	-	387,146	(1,074,709)	-
Depreciation	(418,231)	(297,715)	(10,857)	(2,182,375)	-	(2,909,178)
31 December 2017	10,905,199	2,228,166	27,695	8,691,678	68,850	21,921,588

b. Core property assets

Under the Registered Clubs' Act the company is to define its core assets. The Core assets of the club are Freehold land and building situated at 18 Hartill-Law Avenue Bardwell Park NSW 2207 and Leasehold building situated at Doris Avenue Earlwood NSW 2206. The Clubs Investment Properties are defined under the Act as Non–Core.

Note 12: Investment Properties

	2017 $	2016 $
Investment properties		
Cost	2,499,241	2,499,241
Accumulated depreciation	(824,175)	(761,694)
	1,675,066	1,737,547
a. Movements in carrying amounts		
Balance as at 1 January 2017	1,737,547	1,800,029
Additions	-	-
Disposals	-	-
Depreciation	(62,481)	(62,482)
Balance at 31 December 2017	1,675,066	1,737,547

Note 13: Intangible Assets

	2017 $	2016 $
Gaming machine entitlements		
Cost	1,573,589	1,573,589
Total intangible assets	1,573,589	1,573,589

a. Movements in carrying amounts

	Gaming Machine Entitlements $	Game Licences $	Total $
Balance at 1 January 2016	1,329,993	-	1,329,993
Additions	243,596	-	243,596
Disposals	-	-	-
Amortisation expense	-	-	-
Balance at 31 December 2016	1,573,589	-	1,573,589
Additions	-	-	-
Disposals	-	-	-
Amortisation expense	-	-	-
Balance at 31 December 2017	1,573,589	-	1,573,589

Note 14: Tax

	2017 $	2016 $
a. Assets		
Non-current		
Deferred tax assets comprise:		
- provisions	46,735	48,818
- other timing differences	4,134	4,497
	50,869	53,315
b. Liabilities		
Current		
Current tax (receivable)/ payable	63,568	53,811

c. Reconciliations

	2017 $	2016 $
i. Deferred tax asset		
The overall movement in the deferred tax account is as follows:		
- opening balance	53,315	46,423
- (debit)/credit to profit or loss	(2,446)	6,892
Closing balance	50,869	53,315
ii. Deferred tax liabilities		
The overall movement in the deferred tax account is as follows:		
- opening balance	-	-
- debit/(credit) to profit or loss	-	-
Closing balance	-	-

Note 15: Trade and Other Payables

	2017 $	2016 $
Current		
Trade creditors and accruals	495,039	559,185
Sundry payables	835,065	845,807
	1,330,104	1,404,992

Note 16: Provisions

	Employee benefits $	Loyalty points $	Total $
Opening balance at 1 January 2017	1,025,577	44,088	1,069,665
Provisions raised/(used) during the year	39,293	(2,767)	36,526
Balance at 31 December 2017	1,064,870	41,321	1,106,191

	2017 $	2016 $
Analysis of total provisions		
Current	1,028,843	987,854
Non-current	77,348	81,811
Total provisions	1,106,191	1,069,665

Note 17: Borrowings

	2017 $	2016 $
Current		
Hire purchase liabilities	669,171	626,361
	669,171	626,361
Non-current		
Hire purchase liabilities	505,752	643,662
	505,752	643,662

a. Credit Standby Arrangement and Loan Facilities	**Amount of Facility**	**Amount of facility unused**
Type of facility		
Bank loan	1,184,000	1,184,000

The bank loan is arranged with the National Australia Bank with the general terms and conditions being set and agreed to annually. Interest rates are variable and subject to adjustments.

Note 18: Leasing Commitments

a. Operating Lease Commitments	**2017 $**	**2016 $**
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable — minimum lease payments		
- not later than 12 months	32,932	32,932
- between 12 months and five years	44,289	77,220
	77,221	110,152

The property lease is a non-cancellable lease with a five-year term, with rent payable annually in advance. Contingent rental provisions within the lease agreement require that minimum lease payments shall be increased by CPI per annum. Options exist to renew the lease at the end of the five-year term for a further two additional five years. Under the lease, the Club is obliged to carry out certain capital works.

Note 18: Leasing Commitments (cont)

b. Finance Lease Commitments

Non-cancellable finance leases contracted for and capitalised in the financial statements

Payable — minimum lease payments		
- not later than 12 months	716,307	679,606
- between 12 months and five years	526,109	667,830
	1,242,416	1,347,436
Less: future finance charges	(67,493)	(77,413)
Present value of minimum lease payments	1,174,923	1,270,023

Finance leases are non-cancellable leases each with a three year term.

Note 19: Segment Reporting

The company operates as a registered club within Australia in the hospitality, leisure and entertainment industry.

Note 20: Cash Flow Information

	2017 $	2016 $
a. Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax	3,710,951	3,731,186
Non-cash flows in profit		
Depreciation	2,971,658	2,474,402
Net loss on disposal of property, plant and equipment	48,512	446,535
Obsolescence of inventory	-	9,465
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(64,477)	10,080
Decrease in inventories	3,547	811
(Increase)/decrease in prepayments	(6,190)	(5,128)
Decrease/(increase) in deferred tax assets	2,446	(6,892)
Increase/(decrease) in current tax payables	9,757	(8,242)
(Decrease)/increase in trade and other payables	(74,888)	248,490
Increase in provisions	36,526	49,106
Cash flows from operations	6,637,842	6,949,813

Note 21: Related Party Transactions

Material transactions with related parties took place during the year as follows:

	2017 $	2016 $
Current		
Loans to related party	-	9,500

Note 22: Contingent Liabilities

The Club does not have any contingent liabilities as at 31 December 2017 (2016: $nil).

Note 23: Events After the Balance Sheet Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the club, the results of those operations, or the state of affairs of the club in future financial years.

The financial report was authorised for issue on 15 February 2018 by the board of directors.

Note 24: Company Details

The registered office of the club is:
Earlwood-Bardwell Park RSL
Hartill-Law Avenue
Bardwell Park NSW 2207

The operating locations of the club are:

Hartill-Law Avenue	Doris Avenue
Bardwell Park NSW 2207	Earlwood NSW 2206

Directors' declaration

In the opinion of the directors of Earlwood-Bardwell Park RSL Club Limited:

1. The financial statements and notes, as set out on pages 4 to 21, are in accordance with the Corporations Act 2001; including

    a Complying with Australian Accounting Standards Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

    b giving a true and fair view of the financial position as at 31 December 2017 and of the performance for the year ended on that date; and

2. There are reasonable grounds to believe that Earlwood-Bardwell Park RSL Club Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

MB Plater.

Merrick Plater
Chairman

Bardwell Park, dated this 15th day of February 2018

Grant Thornton

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report
To the Members of Earlwood-Bardwell Park RSL Club Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Earlwood-Bardwell Park RSL Club Limited (the Company), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 Earlwood-Bardwell Park RSL Club Limited is in accordance with the *Corporations Act 2001*, including:

a Giving a true and fair view of the Company's financial position as at 31 December 2017 and of its performance for the year ended on that date; 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 Company in accordance with 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.

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

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of the Directors' for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intends to liquidate the Company or to cease operations, or has 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

P J Woodley
Partner - Audit & Assurance

Sydney, 15 February 2018

EBP RSL Club
Hartill-Law Avenue
Bardwell Park 2207
p. 02 9335 9999
e. mail@ebprsl.com.au
www.ebprsl.com.au

ebprsl.com.au