

CENTRAL CHARLESTOWN LEAGUES CLUB LTD**(ACN 000 964 849)****FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017****CONTENTS**

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CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)

DIRECTORS' REPORT

Your Directors present their report for the financial year ended 30 June 2017.

1. The names of the Directors in office at the date of this report are:

Name	Occupation/Qualifications	Position	Years service as a Director of the Club
W. Munro	Retired	President	11
F. Coull	Retired	Vice-president	3
D. Sheerin	Inspector	Vice-president	3
J. Rayner	Businessman		3
T. Colquhoun	Businessman		3
A. Blackwell	Teacher		1
R. Kelly	Teacher		3
T. Bryden	Retired		1
T. Wallace	Operations/Project Manager		1

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

2. Activities

The principal activities of the Club in the course of the financial year ended 30 June 2017 were the running of the Club in accordance with its objectives for the benefit of its members and promoting the game of rugby league.

3. Objectives of the Club

The Club's short and long term objectives are to:

- Provide the best facilities available to members and their guests; and
- Facilitate and promote the game of rugby league.

To achieve these objectives the Club has adopted the following strategies;

- Maintain or increase existing revenue levels and control costs to improve profitability which will allow the Club's premises to be continually improved.

These strategies are measured through both financial and non financial key performance indicators that have been developed relevant to the club industry.

4. Results

The net result of operations after applicable income tax was a profit of \$650,308 (2016 profit of \$300,781).

5. Review of Operations

Profitability from gaming together with growth in bar sales during the year has seen the Club again achieve a solid profit.

6 Events Subsequent to Balance Date

Since the end of the financial year the Directors are not aware of any matters or circumstances not otherwise dealt with in the report or accounts that has significantly or may significantly affect the operations of the Club, the results of those operations, or the state of affairs of the Club in subsequent financial years.

7. Likely Developments and Expected Results

The Club is finalising a strategic review which will lead to a new business plan being implemented to achieve the Club's objectives.

8. Indemnifying Officer or Auditor

The Club has not during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Club indemnified or made any relevant agreements for indemnifying against a liability incurred as an officer, including costs expenses in successfully defending legal proceedings.

During the financial year, the Club has paid a premium in respect of a contract of insurance insuring Directors and Officers (including former and future Directors and Officers) against certain liabilities incurred in that capacity. Disclosure of the total amount of premiums and the nature of the liabilities in respect of such insurance is prohibited by the contract of the insurance.

CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)

DIRECTORS' REPORT (Cont.)

9. Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 4 of the financial report.

10. Environmental Regulations

The Club's operations are subject to various environmental regulations under both Commonwealth and State Legislations. The Directors are not aware of any breaches of the legislation during the financial year, which are material in nature.

11. Financial Report Issue Date

The financial report was authorised for issue by the Directors on 12 September 2017. The Club has the power to amend and re-issue the financial report.

12. Company Secretary

The Company Secretary is Mr Nathan Whiteside. Mr Whiteside has been an employee of the Club since December 2014 and was appointed in April 2015 to the position of Company Secretary. Prior to this Mr Whiteside has held management positions in other registered clubs.

13. Dividends

The Club is prevented from paying dividends by it's constitution.

14. Meeting Attendances

The number of ordinary board meetings held during the financial year ended 30 June 2017 was 12. The details of each Directors attendances at those meetings is given below:

<u>Director</u>	<u>Attended</u>	<u>Eligible to Attend</u>
W. Munro	12	12
F. Coull	12	12
D. Sheerin	11	12
J. Rayner	12	12
T. Colquhoun	11	12
A. Blackwell	11	12
R. Kelly	10	12
T. Bryden (Appointed 30 August 2016)	10	10
T. Wallace	11	12
S. Vidot (Resigned 30 August 2016)	0	1

15. Property Report

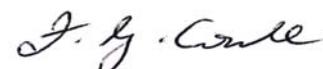
The Land on which the Club is situated is freehold land owned by the Club. The Directors have determined that all property of the Club shall be classified as follows in accordance with Section 41J of the Registered Clubs Act 1976:

Core Property	Land and building in which the Club and carpark are located being 8 Bula Street, Charlestown NSW 2290.
Non-core Property	Investment properties comprised of: 2 Wales Street, Charlestown NSW 2290 4 Wales Street, Charlestown NSW 2290 6 Wales Street, Charlestown NSW 2290

Signed in accordance with a resolution of the Board of Directors



W. Munro - President



F. Coull - Vice President

Dated: 12 September 2017



AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
CENTRAL CHARLESTOWN LEAGUES CLUB LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 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.

Shaun Mahony - Partner

DFK Crosbie Partners

DFK Crosbie Partners
Chartered Accountants

Dated: 12 September 2017
Warabrook, NSW

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CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)
INDEPENDENT AUDIT REPORT TO MEMBERS

To the Members of Central Charlestown Leagues Club Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Central Charlestown Leagues Club Ltd (the Club), which comprises the statement of financial position as at 30 June 2017 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the Central Charlestown Leagues Club Ltd is in accordance with the Corporation Act 2001, including:

- (i) giving a true and fair view of the Club's financial position as at 30 June 2017 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Club 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 audit opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 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 accordingly we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We note that the reference to Profit of \$65,246 in the previous financial year in the CEO's report is net profit before tax, investment property revaluation and Propagation of Rugby League. We have nothing further to report in this regard.

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CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)
INDEPENDENT AUDIT REPORT TO MEMBERS

Responsibilities of the Directors for the Financial Report

The Directors of the Club 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 Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Club or to cease operations, or have no realistic alternative but to do so.

Matters relating to the electronic presentation of the audited financial report

The auditor's report relates to the financial report of the Club for the year ended 30 June 2017 included on the Club's web site. The Club's Directors are responsible for the integrity of the Club's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

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 audit report.

Shaun Mahony - Partner

DFK Crosbie Partners
Chartered Accountants

Dated: 12 September 2017
Warabrook, NSW

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CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)

DIRECTORS' DECLARATION

The Directors of the Club declare that:

- 1 The financial statements and notes, as set out on pages 8 to 20 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the financial position of the Company as at 30 June 2017 and of its performance, for the year ended on that date.
- 2 At the date of this declaration there are reasonable grounds to believe that the Club 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 and signed for on behalf of the Directors by:



W. Munro - President



F. Coull - Vice President

Dated: 12 September 2017

CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	(Restated) 2016 \$	(Restated) 2015 \$
CURRENT ASSETS				
Cash and Cash Equivalents		352,847	330,919	408,022
Trade and Other Receivables	8	19,808	46,476	69,753
Inventories	9	58,933	40,432	51,341
Other Assets	10	64,609	16,859	25,878
TOTAL CURRENT ASSETS		496,197	434,686	554,994
NON-CURRENT ASSETS				
Property, Plant and Equipment	11	7,350,400	7,175,975	7,198,426
Investment Properties	12	1,695,000	1,470,000	1,240,000
Intangible Assets	13	100,000	100,000	100,000
Deferred Tax Assets	7	64,942	44,158	28,268
TOTAL NON-CURRENT ASSETS		9,210,342	8,790,133	8,566,694
TOTAL ASSETS		9,706,539	9,224,819	9,121,688
CURRENT LIABILITIES				
Trade and Other Payables	14	570,131	290,200	201,328
Borrowings	15	1,229,201	1,598,292	1,964,646
Provisions	16	201,931	318,534	287,528
Other Liabilities	17	33,045	23,893	-
TOTAL CURRENT LIABILITIES		2,034,308	2,230,919	2,453,502
NON-CURRENT LIABILITIES				
Provisions	16	41,771	34,531	25,488
Deferred Tax Liabilities	7	422,668	346,393	283,144
TOTAL NON-CURRENT LIABILITIES		464,439	380,924	308,632
TOTAL LIABILITIES		2,498,747	2,611,843	2,762,134
NET ASSETS		7,207,792	6,612,976	6,359,554
MEMBERS' FUNDS				
Reserves		1,430,313	1,430,313	1,430,313
Retained Earnings	18	5,777,479	5,182,663	4,929,241
TOTAL MEMBERS' FUNDS		7,207,792	6,612,976	6,359,554

To be read in conjunction with the attached notes to the Financial Statements

CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	(Restated) 2016 \$
Revenue	5	6,979,593	6,576,596
Expenses			
Bar Cost of Goods Sold		726,715	759,519
Bar Direct Expenses		457,326	452,581
Bistro Cost of Goods Sold		801,756	809,617
Bistro Direct Expenses		872,489	1,021,080
Gaming Direct Expenses		819,663	834,070
Rental Operations		22,689	-
Members Amenities		847,587	738,869
Clubhouse Expenses		765,353	694,771
Administration Expenses		879,307	852,856
Finance Costs		83,414	107,107
Propagation of Rugby League		52,986	5,345
Total Expenses	6	<u>6,329,285</u>	<u>6,275,815</u>
Net Profit/(Loss) Before Income Tax		650,308	300,781
Income Tax Expense	7	<u>55,492</u>	<u>47,359</u>
Net Profit/(Loss) After Income Tax		<u>594,816</u>	<u>253,422</u>
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss)		<u><u>594,816</u></u>	<u><u>253,422</u></u>

To be read in conjunction with the attached notes to the Financial Statements

CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	(Restated)
	\$	2016
		\$
Cash Flows from Operating Activities		
Receipts from Customers	7,402,392	6,949,916
Payments to Suppliers and Employees	(6,407,513)	(6,256,143)
Interest Received	2,202	4,003
Interest Paid	(83,414)	(107,107)
<i>Net Cash Flows provided by (used in) Operating Activities</i>	913,667	590,669
Cash Flows from Investing Activities		
Proceeds from sale of Property, Plant and Equipment	38,117	22,419
Payments for Property, Plant and Equipment	(560,765)	(323,771)
<i>Net Cash Flows provided by (used in) Investing Activities</i>	(522,648)	(301,352)
Cash Flows from Financing Activities		
Repayment of Borrowings	(369,091)	(364,834)
<i>Net Cash Flows provided by (used in) Financing Activities</i>	(369,091)	(364,834)
Net Increase/(Decrease) in Cash Held	21,928	(75,517)
Cash and Cash Equivalents at the Beginning of the Financial Year	330,919	406,436
Cash and Cash Equivalents at the End of the Financial Year	352,847	330,919

CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Reserves	Retained	Total
	\$	Earnings	\$
	\$	\$	\$
Balance at 1 July 2015 (Restated)	1,430,313	4,929,241	6,359,554
Net profit after income tax	-	253,422	253,422
Balance at 30 June 2016 (Restated)	1,430,313	5,182,663	6,612,976
Net profit after income tax	-	594,816	594,816
Balance at 30 June 2017	<u>1,430,313</u>	<u>5,777,479</u>	<u>7,207,792</u>

CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)

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

1 Statement of Significant Accounting Policies

Basis of Preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Central Charlestown Leagues Club Ltd (the Club or the Company) is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report has been prepared on an accruals basis and is based on historical costs, except for investment properties and land and buildings which have been measured at fair value. The financial report is presented in Australian Dollars.

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

Statement of Compliance

The financial report complies with Australian Accounting Standards - Reduced Disclosure Standards as issued by the Australian Accounting Standards Board (AASB), being AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales revenue comprises the revenue earned from the provision of products or services to entities outside the Company.

Revenue from membership fees is recognised upon receipt of monies for the period to which the payment relates.

Interest income is recognised as it accrues.

The profit or loss on disposal of assets is brought to account at the date an unconditional contract is signed.

Other revenue is recognised as it accrues.

Income Tax

Income tax payable is calculated in accordance with the provisions of the Income Tax Assessment Act dealing with the Registered Clubs and Associations.

Deferred Tax Assets and Liabilities are recognised for deductible and temporary differences where considered material. Deferred tax assets in respect of unused tax losses are only recognised to the extent it is probable that a taxable profit will be available against which deductible temporary differences and carried forward tax losses can be utilised if material.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on the tax rates (and tax law) that have been enacted or substantively enacted at the statement of financial position date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Profit or Loss and Other Comprehensive Income.

Inventories

Inventories are measured at the lower of cost and current replacement value.

Property, Plant and Equipment

Land and Buildings

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Freehold land and buildings were revalued on 30 June 2015.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are charged to the statement of comprehensive income.

As the revalued buildings are depreciated, the difference between depreciation recognised in the income statement, which is based on the revalued carrying amount of the asset, and the depreciation based on the assets original cost is transferred from the revaluation surplus to retained earnings.

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.

Freehold land and buildings that have been contributed at no cost, or for nominal costs, are valued and recognised at the fair value of the asset at the date it is acquired.

CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)

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

Property, Plant and Equipment (continued)

Plant and Equipment

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and any impairment in value.

Depreciation

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Land & Buildings	20-50 years
Plant & Equipment	2.5-20 years
Poker Machines	2.5-5 years
Kitchen Equipment	2.5-5 years

Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash in flows, the recoverable amount is determined for the cash generating unit in which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the future economic benefits of an asset are not dependant on the asset's ability to generate net cash inflows and if deprived of the asset the Company would replace its remaining future economic benefit, value in use is determined as the depreciated replacement cost of the asset.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income as a separate line item.

Investment Properties

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition investment properties are stated at fair value. To obtain the fair value, an independent valuation is obtained by the Club from external valuers once every 3 years. Independent valuation from external experts is obtained in the intervening periods if necessary. Gains or losses arising from changes in the fair values of the investment properties are included in the statement of profit or loss and other comprehensive income in the year in which they arise.

Investment properties are no longer recognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the derecognising of an investment property are recognised in the statement of profit or loss and other comprehensive income in that year.

Poker Machine Entitlements

Poker Machine Entitlements are intangible assets acquired separately and are capitalised at cost, the useful lives of these intangible assets are assessed to be indefinite. These are tested for impairment annually or whenever there is an indication that the intangible asset may be impaired.

Borrowing Costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

Trade Debtors and Other Receivables

Trade debtors are recognised initially at fair value and subsequently measured at amortised cost, less any impairment losses. Trade receivables are due within 30 days from the date of recognition. The recoverability of trade debtors is reviewed regularly, with any uncollectible debts written off.

Other Assets

This includes prepayments. Prepayments are payments made in advance for goods and services which are to be received in the future.

Cash and Cash Equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Employee Benefits

Short Term

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)

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

Employee Benefits (continued)

Other Long Term

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage levels and period of service. Discount rates of the Australian bond rates matching the estimated future cash outflows have been used.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowing costs are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Accounts Payable

Liabilities are recognised for amounts to be paid for goods and services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days.

Other Liabilities

This account includes income in advance. Revenues received in advance are reported as an other liability if they will be earned in future periods.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables are stated with the amount of GST included. The amount of GST recoverable or payable to the ATO is included as a current asset or current liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from or payable to the ATO are classified as operating cash flows.

Comparatives

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

Where the Club has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)

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

2 Deficiency in Working Capital

As at balance date, current assets totalled \$496,197 compared to current liabilities of \$2,034,308 giving a working capital deficit of \$1,538,111 with the balances of the Greater Bank Loan Facilities with a total of \$1,229,201 being classified as a current liability due to the loan agreement containing a review clause which limits the Company from having an unconditional right to defer settlement of the loan, despite the Company having fulfilled all its obligations to the Bank to date. Repayments on this lending facility are expected to be made on monthly basis. The Company was able to generate a net profit of \$650,308 and net cash received from operating activities during the year totalled \$913,667.

The Directors have determined that the going concern basis is appropriate given:

- The Company positive net operating cashflows of \$913,667 during the current year.
- The Company has a cash balance at 30 June 2017 of \$352,847.
- The Directors do not foresee any issues in continuing to meet the terms and conditions of its loans with the Bank.
- The Directors expect cashflows going forward to continue to be strong based on recent results.

It is on this basis that the Directors have determined that the going concern basis is appropriate.

3 Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounting estimates and assumptions

Useful lives of non-current assets

The useful life of Property, Plant and Equipment is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence.

Fair Value of Land and Buildings

The fair value of Land and Buildings is estimated at each reporting date, based on independent assessments of the market value of the property conducted at least every three years and other available knowledge of current market prices. Estimation uncertainty exists and is related to the various assumptions used in determining the fair value.

Fair Value of investment Properties

The fair value of Investment Properties is estimated at each reporting date, based on independent assessments of the market value of the property and the best available knowledge of current market prices. Estimation uncertainty exists and is related to the various assumptions used in determining the fair value.

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4 Prior Period Errors

The following items were identified during the current year audit and review by management and have been corrected by restating each of the affected financial statement line items.

- a) Payments for carpets deposit amounting to \$19,540 classified as part of Cash and Cash Equivalents were reclassified to Work in Progress under Property, Plant and Equipment as at 30 June 2016.
- b) Income tax refunds amounting to \$19,530 and \$23,169 recorded as Tax Assets were reclassified as part of Trade and Other Receivables as at 30 June 2016 and 2015, respectively.
- c) The Land held by the Club for rental return had been included in Property, Plant and Equipment in the statement of financial position at its fair value of \$1,240,000. The asset has been reclassified as Investment Properties and remeasured at its fair value of \$1,470,000 as at 30 June 2016, respectively. The fair value increase of \$230,000 in 2016 has been reported as part of profit or loss.
- d) Poker machine entitlements with a total cost of \$100,000 acquired in 2013 were included as part of Property, Plant and Equipment. These have been reclassified as Intangible Assets.
- e) GST liabilities amounting to \$89,899 and \$101,221 as at 30 June 2016 and 2015, respectively, have been reclassified to Trade and Other Payables.
- f) Subscription and income received in advance totaling \$23,893 at 30 June 2016 has been reclassified to Other Liabilities.
- g) Greater Bank Business Loans have been classified as current liabilities as there is not an unconditional right to defer settlement for greater than 12 months due to a facility review clause in each of the loan agreements
- h) Financial Assets of \$6,281 as at 30 June 2016 and \$8,374 as at 30 June 2015 have been reclassified to Property, Plant and Equipment.
- i) Total accumulated fair value increase on Investment Properties as at 30 June 2015 amounting to \$823,114 have been reclassified from Revaluation Surplus to Retained Earnings.
- j) Impairment charge on Land and Buildings of \$795,918 reclassified to reserves from retained earnings to reflect reversal of previous revaluation increments.
- k) Charged accumulated depreciation of Buildings as at 30 June 2015 amounting to \$1,634,332 against cost to reset on adjustment to independent land and building valuation.
- l) Recognised deferred tax assets of \$28,268 at 30 June 2015 and \$44,158 at 30 June 2016 and deferred tax liabilities of \$283,144 at 30 June 2015 and \$346,393 as at 30 June 2016 with the net adjustment against Retained Earnings.

The errors have been corrected by restating each of the affected financial statement line items for the prior periods as follows:

		30 June 2016	Restatements	(Restated) 30 June 2016
		\$	\$	\$
Cash and Cash Equivalents	(a)	350,459	(19,540)	330,919
Trade and Other Receivables	(b)	26,946	19,530	46,476
Tax Assets	(b),(l)	19,530	24,628	44,158
Financial Assets	(h)	6,281	(6,281)	-
Property, Plant and Equipment	(a), (c), (d), (h)	8,490,154	(1,314,179)	7,175,975
Investment Properties	(c)	-	1,470,000	1,470,000
Intangible assets	(d)	-	100,000	100,000
Trade and Other Payables	(e), (f)	224,194	66,006	290,200
Borrowings - current	(g)	152,144	1,446,148	1,598,292
Other Liabilities	(e), (f)	89,899	(66,006)	23,893
Borrowings - non-current	(g)	1,446,148	(1,446,148)	-
Tax Liabilities	(l)	-	346,393	346,393
Reserves	(c), (i), (j)	3,049,345	(1,619,032)	1,430,313
Retained Earnings	(c), (i), (j), (l)	3,635,866	1,546,797	5,182,663
		30 June 2015	Restatements	(Restated) 30 June 2015
		\$	\$	\$
Trade and Other Receivables	(b)	46,584	23,169	69,753
Tax Assets	(b),(l)	23,169	5,099	28,268
Financial Assets	(h)	8,374	(8,374)	-
Property, Plant and Equipment	(c), (d), (j)	8,530,052	(1,331,626)	7,198,426
Investment Properties	(c)	-	1,240,000	1,240,000
Intangible assets	(d)	-	100,000	100,000
Trade and Other Payables	(e)	100,107	101,221	201,328
Borrowings - current	(g)	153,663	1,810,983	1,964,646
Other Liabilities	(e)	101,221	(101,221)	-
Borrowings - non-current	(g)	1,810,983	(1,810,983)	-
Tax Liabilities	(l)	-	283,144	283,144
Reserves	(c), (i), (j)	3,049,345	(1,619,032)	1,430,313
Retained Earnings	(c), (i), (j), (l)	3,565,085	1,364,156	4,929,241

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		2017	2016
		\$	\$
5	Revenue		
	Bar Sales	1,751,669	1,693,889
	Bistro Sales	1,998,057	2,070,663
	Gaming Revenue	2,500,741	2,263,285
	Commissions	41,191	6,429
	Interest Received	2,202	4,003
	Fair Value Adjustment on Investment Properties	225,000	230,000
	Profit on Sale of Assets	19,577	22,419
	Raffle Income	145,094	145,322
	Rental Income	66,200	34,201
	Subscriptions	54,547	60,888
	Other Income	175,315	45,497
		6,979,593	6,576,596
6	Operating Profit/(Loss)		

Operating profit before income tax is arrived at after crediting and charging the following specific items:

Credits

Interest Received / Receivable	2,202	4,003
Fair Value Adjustment on Investment Properties	225,000	230,000
Profit on Sale of Assets	19,577	22,419

Charges

Depreciation	Land & Buildings	163,452	148,753
	Plant & Equipment	145,464	118,284
	Poker Machines	58,770	42,438
	Total Depreciation & Amortisation	367,686	309,475
Interest and Finance Costs		83,414	107,107
Employee Benefits			
	- Wages including leave provisions	1,704,216	1,554,618
	- Superannuation	178,432	187,934
		1,882,648	1,742,552

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	2017	2016
	\$	\$
7 Income Tax Expense		
a) The aggregate amount of income tax attributable to the financial year differs to the amount calculated on the operating profit. The difference is reconciled as follows:		
Net Profit / (Loss) before income tax	650,308	300,781
Income Tax Expense/(Benefit) thereon @ 27.5% (2016: 30%)	178,835	90,234
Apportionment Adjustment Members Income and Expenses	(123,343)	(42,875)
Income Tax Expense/(Benefit) per Statement of Profit or Loss	55,492	47,359
Major components of income tax expense/(benefit) are:		
Current income tax charge	31,905	7,930
Relating to Temporary Differences	(87,397)	(55,289)
b) Deferred Tax Assets		
The Balance comprises temporary differences attributable to:		
Provisions	19,866	29,866
Other	3,451	4,572
Carried forward tax losses	41,625	9,720
	64,942	44,158
Movements		
Opening Balance	44,158	26,478
Credited/(Expensed) to the statement of profit or loss and other comprehensive income	20,784	17,680
Closing Balance	64,942	44,158
c) Deferred Tax Liabilities		
The Balance comprises temporary differences attributable to:		
Investment Properties	315,069	253,194
Depreciation	101,162	93,199
Other	6,437	-
	422,668	346,393
Movements		
Opening Balance	346,393	283,144
(Credited)/Expensed to the statement of profit or loss and other comprehensive income	76,275	63,249
Closing Balance	422,668	346,393
The benefit for tax losses will only be obtained if:		
i) the Club derives future assessable income in the nature and of amount sufficient to enable the benefit from deductions for the losses to be realised;		
ii) the Club continues to comply with the conditions for deductibility imposed by the tax legislation; and		
iii) no changes in tax legislation adversely affect the Club in realising the benefit from the deductions for the losses.		
8 Trade and Other Receivables		
Trade Debtors	17,171	26,946
Income Tax Refund	-	19,530
Other Receivables	2,637	-
	19,808	46,476
9 Inventories		
Stock on Hand - Bar	35,058	21,842
Stock on Hand - Bistro	20,385	18,590
Others	3,490	-
	58,933	40,432

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		2017 \$	2016 \$			
10	Other Assets					
	Current					
	Prepayments	64,609	16,859			
11	Property, Plant and Equipment					
		Land & Buildings \$	Plant & Equipment \$	Poker Machines \$	Work in Progress \$	Total \$
	Year ended 30 June 2017					
	At 1 July 2016,					
	Net of Accumulated Depreciation/Amortisation	6,238,355	667,212	250,868	19,540	7,175,975
	Additions	60,630	100,022	392,513	7,600	560,765
	Transfers	19,540		-	(19,540)	-
	Less: Disposals	-	-	18,654	-	18,654
	Less: Depreciation/Amortisation	163,452	145,464	58,770	-	367,686
	At 30 June 2017					
	Net of Accumulated Depreciation/Amortisation	6,155,073	621,770	565,957	7,600	7,350,400
	At 1 July 2016					
	Cost or Fair Value	6,392,639	1,643,639	541,833	19,540	8,597,651
	Accumulated Depreciation/Amortisation	154,284	976,427	290,965	-	1,421,676
	Net Carrying Amount	6,238,355	667,212	250,868	19,540	7,175,975
	At 30 June 2017					
	Cost or Fair Value	6,472,809	1,743,661	883,098	7,600	9,107,168
	Accumulated Depreciation/Amortisation	317,736	1,121,891	317,141	-	1,756,768
	Net Carrying Amount	6,155,073	621,770	565,957	7,600	7,350,400
		2017 \$				2016 \$
12	Investment Properties					
	Opening Balance at 1 July			1,470,000		1,240,000
	Fair Value Adjustments			225,000		230,000
	Closing Balance 30 June			1,695,000		1,470,000
	Investment properties are stated at fair value, which has been determined based on a market appraisal performed by Chapman Property Consultants as at 30 June 2017. The real estate agent frequently assesses the market values for properties similar to those held by the Club in the same areas, having regard to past sales prices of other properties and current market conditions.					
13	Intangible Assets					
	Poker Machine Entitlements			100,000		100,000
14	Trade and Other Payables					
	Current					
	Trade Creditors			328,789		141,375
	Other Creditors and Accruals			157,259		58,926
	GST Payable			84,083		89,899
				570,131		290,200
15	Borrowings					
	Current					
	Greater Bank Loan - (secured)			883,711		1,095,163
	Greater Bank Loan - (secured)			345,490		503,063
	Line of Credit			-		66
				1,229,201		1,598,292

The above loans with Greater Bank are secured by the following:

- Registered Mortgage over real property at 8 Bula Street Charlestown NSW 2290
- Registered Mortgage over real property at 2, 4 and 6 Wales Street Charlestown NSW 2290

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		2017	2016		
		\$	\$		
16	Provisions				
	Current				
	Provision for Annual Leave	107,848	173,611		
	Provision for Long Service Leave	76,802	144,923		
	Provision for Club Grants	8,017	-		
	Provision for Jackpots	9,264	-		
		201,931	318,534		
	Non Current				
	Provision for Long Service Leave	41,771	34,531		
		41,771	34,531		
17	Other Liabilities				
	Current				
	Subscriptions in Advance	30,690	23,893		
	Income in Advance	2,355	-		
		33,045	23,893		
18	Reserves				
		General	Capital	Asset	Total
		\$	Redemption	Revaluation	\$
	Opening Balance as at 1 July	30,007	10,724	1,389,582	1,430,313
	Revaluation Increment/(Decrements)	-	-	-	-
	Closing Balance at 30 June 2017	30,007	10,724	1,389,582	1,430,313

The Asset Revaluation Reserve represents the net increment in Land and Buildings classified as part of Property, Plant and Equipment which are measured at fair value.

19 **Commitments for Expenditure**

Operating leases

Commitments in relation to non-cancellable operating leases are payable as follows:

Within one year	35,138	32,894
Later than one year but less than five years	55,130	83,536
	90,268	116,430

20 **Contingent Liabilities**

The Club has a bank guarantee for \$5,000 substituting for a security deposit relating to Club TAB facilities.

21 **Related Parties**

(a) The names of persons who were directors of the Director at any time during the year are as they appear in the attached Directors' Report. There are no amounts due to or from the Directors as at end of reporting period.

	2017	2016
	\$	\$
(b) Key Management Personnel		
The following remuneration was provided to the key management personnel of the Club during the year:		
Short-term employment benefits	257,050	296,815
Long-term employment benefits	1,381	3,563
Post Employment benefits	38,108	28,197
	296,539	328,575