

CENTRAL CHARLESTOWN LEAGUES CLUB LTD**(ACN 000 964 849)****FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018****CONTENTS**

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The financial report was authorised for issue by the Directors on 28 August 2018. The Company has the power to amend and re-issue the financial report.

CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)

DIRECTORS' REPORT

Your Directors present their report for the financial year ended 30 June 2018.

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
F. Coull	Retired	President	4
D. Sheerin	Inspector	Vice-president	4
A. Blackwell	Teacher	Vice President	2
W. Munro	Retired		12
J. Rayner	Businessman		4
T. Colquhoun	Businessman		4
T. Bryden	Retired		2
P Schmarr	Retired		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 2018 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 \$288,420 (2017 profit of \$594,816).

5. Review of Operations

Profitability from gaming together with an increase in Raffle income during the year has seen the Club again achieve a solid profit. Expenses have increased in the current year compared to the prior year, resulting in a lower profitability figure for the year.

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

No new developments are anticipated in the operations of the Club, with continued growth in revenue levels and controlling of costs where possible. The Board is continuing to assess the needs of members and the community to provide the best possible facilities.

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 2018 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 28 August 2018. 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 its constitution.

14. Meeting Attendances

The number of Board meetings held during the financial year ended 30 June 2018 was 14, being 12 ordinary meetings and 2 special meetings. The details of each Directors attendances at those meetings is given below:

<u>Director</u>	<u>Attended</u>	<u>Eligible to Attend</u>
F. Coull	13	14
D. Sheerin	12	14
A. Blackwell	12	14
W. Munro	14	14
J. Rayner	14	14
T. Colquhoun	14	14
R. Kelly (Resigned 26 September 2017)	2	3
T. Bryden	14	14
T. Wallace (Resigned 28 November 2017)	3	6
P Schmarr (Appointed 31 October 2017)	8	9

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



D. Sheerin - Vice President



A. Blackwell - Vice President

Dated: 28 August 2018



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 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.

Shaun Mahony - Partner

DFK Crosbie Partners
Chartered Accountants

Dated: 28 August 2018
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 2018 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 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 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 2018 and of its financial 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 2018, 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 have nothing further to report in this regard.

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.

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

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 2018 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.ausb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our audit report.

Shaun Mahony - Partner

DFK Crosbie Partners
Chartered Accountants

Dated: 28 August 2018
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 19 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 reporting requirements; and
 - (b) giving a true and fair view of the Club's financial position as at 30 June 2018 and of its performance, for the year ended on that date.
- 2 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:



D. Sheerin - Vice President



A. Blackwell - Vice President

Dated: 28 August 2018

CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
CURRENT ASSETS			
Cash and Cash Equivalents		383,458	352,847
Trade and Other Receivables	7	42,194	19,808
Inventories	8	47,799	58,933
Other Assets	9	67,537	64,609
TOTAL CURRENT ASSETS		540,988	496,197
NON-CURRENT ASSETS			
Property, Plant and Equipment	10	8,342,396	7,350,400
Investment Properties	11	1,730,000	1,695,000
Intangible Assets	12	217,689	100,000
Deferred Tax Assets	6	100,417	64,942
TOTAL NON-CURRENT ASSETS		10,390,502	9,210,342
TOTAL ASSETS		10,931,490	9,706,539
CURRENT LIABILITIES			
Trade and Other Payables	13	573,458	570,131
Borrowings	14	1,290,318	1,229,201
Provisions	15	212,412	201,931
Other Liabilities	16	43,013	33,045
TOTAL CURRENT LIABILITIES		2,119,201	2,034,308
NON-CURRENT LIABILITIES			
Provisions	15	37,618	41,771
Deferred Tax Liabilities	6	429,057	422,668
TOTAL NON-CURRENT LIABILITIES		466,675	464,439
TOTAL LIABILITIES		2,585,876	2,498,747
NET ASSETS		8,345,614	7,207,792
MEMBERS' FUNDS			
Reserves	17	2,279,715	1,430,313
Retained Earnings		6,065,899	5,777,479
TOTAL MEMBERS' FUNDS		8,345,614	7,207,792

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 2018

	Note	2018 \$	2017 \$
Revenue	4	6,856,150	6,979,593
Expenses			
Bar Cost of Goods Sold		718,180	726,715
Bar Direct Expenses		561,705	457,326
Bistro Cost of Goods Sold		786,079	801,756
Bistro Direct Expenses		929,845	872,489
Gaming Direct Expenses		949,785	819,663
Rental Operations		23,480	22,689
Members Amenities		999,566	847,587
Clubhouse Expenses		690,293	765,353
Administration Expenses		885,372	879,307
Finance Costs		73,395	83,414
Propagation of Rugby League		22,838	52,986
Total Expenses	5	6,640,538	6,329,285
Net Profit/(Loss) Before Income Tax		215,612	650,308
Income Tax Expense/(Benefit)	6	(72,808)	55,492
Net Profit/(Loss) After Income Tax		288,420	594,816
Other Comprehensive Income			
<i>Items that will not be reclassified to profit or loss</i>			
Gain on revaluation of Land and Buildings		893,124	-
Income tax relating to these items		(43,722)	-
Total Comprehensive Income/(Loss)		1,137,822	594,816

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 2018

	2018	2017
	\$	\$
Cash Flows from Operating Activities		
Receipts from Customers	7,368,545	7,402,392
Payments to Suppliers and Employees	(6,739,464)	(6,407,513)
Interest Received	735	2,202
Interest Paid	(73,395)	(83,414)
<i>Net Cash Flows provided by (used in) Operating Activities</i>	<u>556,421</u>	<u>913,667</u>
Cash Flows from Investing Activities		
Proceeds from sale of Property, Plant and Equipment	86,455	38,117
Payments for Property, Plant and Equipment	(538,650)	(560,765)
Payments for Intangible Assets	(117,689)	-
Payments for Investment Properties	(17,043)	-
<i>Net Cash Flows provided by (used in) Investing Activities</i>	<u>(586,927)</u>	<u>(522,648)</u>
Cash Flows from Financing Activities		
Proceeds from Borrowings	350,316	-
Repayment of Borrowings	(289,199)	(369,091)
<i>Net Cash Flows provided by (used in) Financing Activities</i>	<u>61,117</u>	<u>(369,091)</u>
Net Increase/(Decrease) in Cash Held	30,611	21,928
Cash and Cash Equivalents at the Beginning of the Financial Year	<u>352,847</u>	<u>330,919</u>
Cash and Cash Equivalents at the End of the Financial Year	<u>383,458</u>	<u>352,847</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 CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Reserves \$	Retained Earnings \$	Total \$
Balance at 30 June 2016	1,430,313	5,182,663	6,612,976
Net profit after income tax	-	594,816	594,816
Balance at 30 June 2017	1,430,313	5,777,479	7,207,792
Net profit after income tax	-	288,420	288,420
Revaluation of Land and Buildings, net of tax	849,402	-	849,402
Balance at 30 June 2018	<u>2,279,715</u>	<u>6,065,899</u>	<u>8,345,614</u>

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

CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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 2018.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the asset revaluation reserve 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 gain on revaluation of land and buildings. 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 2018

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:

Buildings	20-50 years
Plant & Equipment	2.5-20 years
Poker Machines	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.

CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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.

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.

CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2 Deficiency in Working Capital

The Company has a deficiency in working capital with current assets of \$540,988 compared to current liabilities of \$2,119,201 representing a deficiency in working capital of \$1,578,213. Current liabilities includes:

- a) the entire Greater Bank Loan Facilities being \$1,095,774 which is included as a current liability as the Club does not have an unconditional right to defer settlement for a period of at least 12 months, however the Directors do not expect to be required to repay the full drawn amount on the facility within the next 12 months.
- b) employee leave entitlements of \$191,316 which is included as a current liability, however, the Directors do not expect to be required to settle the full amount owing to employees within the next 12 months.

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

- The Company generated positive net operating cashflows of \$556,421 during the current year.
- The Company has a cash balance at 30 June 2018 of \$383,458.
- 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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

		2018	2017
		\$	\$
4	Revenue		
	Bar Sales	1,748,642	1,751,669
	Bistro Sales	1,933,928	1,998,057
	Gaming Revenue	2,652,343	2,500,741
	Commissions	31,872	41,191
	Interest Received	735	2,202
	Fair Value Adjustment on Investment Properties	17,957	225,000
	Profit on Sale of Assets	85,223	19,577
	Raffle Income	181,095	145,094
	Rental Income	67,065	66,200
	Subscriptions	54,978	54,547
	Other Income	82,312	175,315
		6,856,150	6,979,593
5	Operating Profit/(Loss)		

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

Credits

Interest Received / Receivable	735	2,202
Fair Value Adjustment on Investment Properties	17,957	225,000
Profit on Sale of Assets	85,223	19,577

Charges

Depreciation	Land & Buildings	108,450	163,452
	Plant & Equipment	159,516	145,464
	Poker Machines	151,704	58,770
	Total Depreciation & Amortisation	419,670	367,686
	Interest and Finance Costs	73,395	83,414
	Loss on Sale of Assets	5,685	-
	Employee Benefits		
	- Wages including leave provisions	1,801,484	1,704,216
	- Superannuation	168,823	178,432
		1,970,307	1,882,648

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	2018	2017
	\$	\$
6 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	215,612	650,308
Income Tax Expense/(Benefit) thereon @ 27.5% (2017: 27.5%)	59,293	178,835
Apportionment Adjustment Members Income and Expenses	(132,101)	(123,343)
Income Tax Expense/(Benefit) per Statement of Profit or Loss	<u>(72,808)</u>	<u>55,492</u>
Major components of income tax expense/(benefit) are:		
Current income tax charge	31,687	31,905
Relating to Temporary Differences	41,121	(87,397)
b) Deferred Tax Assets		
The Balance comprises temporary differences attributable to:		
Provisions	19,493	19,866
Other	7,612	3,451
Carried forward tax losses	73,312	41,625
	<u>100,417</u>	<u>64,942</u>
Movements		
Opening Balance	64,942	44,158
Credited/(Expensed) to the statement of profit or loss and other comprehensive income	35,475	20,784
Closing Balance	<u>100,417</u>	<u>64,942</u>
c) Deferred Tax Liabilities		
The Balance comprises temporary differences attributable to:		
Investment Properties	334,446	315,069
Depreciation	94,611	101,162
Other	-	6,437
	<u>429,057</u>	<u>422,668</u>
Movements		
Opening Balance	422,668	346,393
(Credited)/Expensed to the statement of profit or loss and other comprehensive income	(37,333)	76,275
Debited to other comprehensive income	43,722	-
Closing Balance	<u>429,057</u>	<u>422,668</u>
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.		
7 Trade and Other Receivables		
Trade Debtors	41,662	17,171
Income Tax Refund	-	-
Other Receivables	532	2,637
	<u>42,194</u>	<u>19,808</u>
8 Inventories		
Stock on Hand - Bar	26,000	35,058
Stock on Hand - Bistro	18,870	20,385
Others	2,929	3,490
	<u>47,799</u>	<u>58,933</u>

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NOTES TO THE FINANCIAL STATEMENTS
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	2018	2017			
	\$	\$			
9 Other Assets					
Current					
Prepayments	67,537	64,609			
10 Property, Plant and Equipment					
	Land & Buildings \$	Plant & Equipment \$	Poker Machines \$	Work in Progress \$	Total \$
Year ended 30 June 2018					
At 1 July 2017,					
Net of Accumulated Depreciation/Amortisation	6,155,073	621,770	565,957	7,600	7,350,400
Additions	253	197,700	292,830	34,676	525,459
Fair Value Adjustment	893,124	-	-	-	893,124
Less: Disposals	-	5,685	1,232	-	6,917
Less: Depreciation/Amortisation	108,450	159,516	151,704	-	419,670
At 30 June 2018					
Net of Accumulated Depreciation/Amortisation	6,940,000	654,269	705,851	42,276	8,342,396
At 1 July 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
At 30 June 2018					
Cost or Fair Value	6,940,000	1,825,706	1,107,952	42,276	9,915,934
Accumulated Depreciation/Amortisation	-	1,171,437	402,101	-	1,573,538
Net Carrying Amount	6,940,000	654,269	705,851	42,276	8,342,396
Land and Buildings are stated at fair value, which has been determined based on a market appraisal performed by Tew Property Consultants as at 30 June 2018. 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.					
	2018	2017			
	\$	\$			
11 Investment Properties					
Opening Balance at 1 July		1,470,000			
Additions		17,043			
Fair Value Adjustments		17,957			
Closing Balance 30 June		1,730,000			
Investment properties are stated at fair value, which has been determined based on a market appraisal performed by Tew Property Consultants as at 30 June 2018. 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.					
12 Intangible Assets					
Poker Machine Entitlements		217,689			
13 Trade and Other Payables					
Current					
Trade Creditors		306,312			
Other Creditors and Accruals		180,665			
GST Payable		86,481			
		573,458			
14 Borrowings					
Current					
Greater Bank Loan - (secured)		808,011			
Greater Bank Loan - (secured)		287,763			
Line of Credit		194,544			
		1,290,318			

The above loans and lines of credit 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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	2018	2017
	\$	\$
15 Provisions		
Current		
Provision for Annual Leave	96,805	107,848
Provision for Long Service Leave	94,511	76,802
Provision for Club Grants	(3,058)	8,017
Provision for Jackpots	24,154	9,264
	212,412	201,931
Non Current		
Provision for Long Service Leave	37,618	41,771
	37,618	41,771

16 Other Liabilities		
Current		
Subscriptions in Advance	37,941	30,690
Income in Advance	5,072	2,355
	43,013	33,045

	Capital	Asset	Total
	General	Redemption	Revaluation
	\$	\$	\$
Opening Balance as at 1 July	30,007	10,724	1,389,582
Revaluation Increment/(Decrements)	-	-	893,124
Tax effect on revaluation	-	-	(43,722)
Closing Balance at 30 June 2018	30,007	10,724	2,238,984
	30,007	10,724	2,279,715

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.

	2018	2017
	\$	\$
18 Commitments for Expenditure		
<i>Operating leases</i>		
Commitments in relation to non-cancellable operating leases are payable as follows:		
Within one year	30,089	35,138
Later than one year but less than five years	25,041	55,130
	55,130	90,268

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

20 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.

	2018	2017
	\$	\$
(b) Key Management Personnel		
The following remuneration was provided to the key management personnel of the Club during the year:		
Short-term employment benefits	152,907	257,050
Long-term employment benefits	2,365	1,381
Post Employment benefits	14,210	38,108
	169,482	296,539
	169,482	296,539