

CENTRAL CHARLESTOWN LEAGUES CLUB LTD**(ACN 000 964 849)****FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019****CONTENTS**

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The financial report was authorised for issue by the Directors on 27 August 2019. 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 2019.

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	5
P. Schmarr	Retired	Vice President	2
A. Blackwell	Teacher		3
J. Rayner	Businessman	Vice President	5
W. Munro	Retired		13
T. Colquhoun	Businessman		5
T. Bryden	Retired		3
P. Blackford	Operations and Finance Manager		1
D. Pascoe	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 Central Charlestown Leagues Club Ltd (the Club) in the course of the financial year ended 30 June 2019 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;

- In line with the Strategic Plan, 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 \$115,154 (2018 profit of \$288,420).

5. Review of Operations

The Club has once again achieved a solid profit with continued positive contributions across Bar, Bistro and Gaming operations. Revenues from Bar increased, however Bistro and Gaming decreased resulting in an overall decrease in total revenue of 5.3% compared to the prior year. Expenses have decreased 5.9% across the key operating activities in the current year compared to the prior year, however was partly offset by an increase in propagation of sport of \$138,000.

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 or 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 2019 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 27 August 2019. The Club has the power to amend and re-issue the financial report.

12. Company Secretary

The Company Secretary is Mr Scott Hudson who was appointed on 26 July 2019. Mr Nathan Whiteside was the Company Secretary since April 2015 and resigned on 26 July 2019.

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 2019 was 13, being 12 ordinary meetings and 1 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	13
A. Blackwell	13	13
W. Munro	13	13
J. Rayner	12	13
T. Colquhoun	13	13
T. Bryden	12	13
P. Schmarr	13	13
P. Blackford (Elected 8 October 2018)	10	10
D. Pascoe (Elected 30 April 2019)	4	4
D. Sheerin (Resigned 26 February 2019)	8	8

15. Property Report

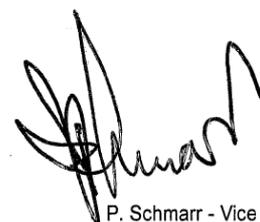
The Land on which the Club is situated is freehold land owned by the Club. The Directors have determined that all property of the Club shall be classified as follows in accordance with Section 41J of the Registered Clubs Act 1976:

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


F. Coull - President


P. Schmarr - Vice President

Dated: 27 August 2019



Business Advisers and Accountants

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 2019 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.

A handwritten signature in black ink, appearing to read 'Shaun Mahony'.

Shaun Mahony - Partner

A handwritten signature in black ink, appearing to read 'DFK Crosbie Partners'.

DFK Crosbie Partners
Chartered Accountants

Dated: 27 August 2019
Newcastle, NSW



Business Advisers and Accountants

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 2019 and 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 including, a summary of significant accounting policies, other explanatory notes 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 2019 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 auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Club's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. The other information provided at the date of this report comprises the Presidents Report and the Sponsorships in Lieu.

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.

dfk crosbie

Business Advisers and Accountants

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 2019 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.

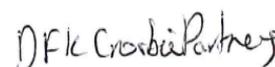
Auditor's Responsibilities for the Audit of the Financial Report

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: 27 August 2019
Newcastle, NSW

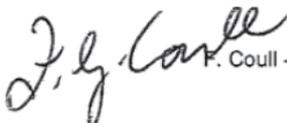
CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)

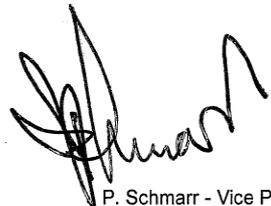
DIRECTORS' DECLARATION

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 reporting requirements; and
 - (b) giving a true and fair view of the financial position of the Club as at 30 June 2019 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:


F. Coull - President


P. Schmarr - Vice President

Dated: 27 August 2019

CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash and Cash Equivalents		369,525	383,458
Inventories	7	47,860	47,799
Other Assets	8	58,228	67,537
Financial Assets at Amortised Cost	9	21,786	43,094
TOTAL CURRENT ASSETS		497,399	541,888
NON-CURRENT ASSETS			
Property, Plant and Equipment	10	8,304,473	8,342,396
Investment Properties	11	1,730,000	1,730,000
Intangible Assets	12	217,689	217,689
Deferred Tax Assets	6	85,308	100,417
TOTAL NON-CURRENT ASSETS		10,337,470	10,390,502
TOTAL ASSETS		10,834,869	10,932,390
CURRENT LIABILITIES			
Trade and Other Payables	13	590,362	573,458
Borrowings	14	1,119,680	1,291,218
Provisions	15	186,330	212,412
Other Liabilities	16	38,901	27,286
TOTAL CURRENT LIABILITIES		1,935,273	2,104,374
NON-CURRENT LIABILITIES			
Provisions	15	21,550	37,618
Other Liabilities	16	17,082	15,727
Deferred Tax Liabilities	6	400,196	429,057
TOTAL NON-CURRENT LIABILITIES		438,828	482,402
TOTAL LIABILITIES		2,374,101	2,586,776
NET ASSETS		8,460,768	8,345,614
MEMBERS' FUNDS			
Reserves	17	2,243,952	2,279,715
Retained Earnings		6,216,816	6,065,899
TOTAL MEMBERS' FUNDS		8,460,768	8,345,614

To be read in conjunction with the 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 2019

	Note	2019 \$	2018 \$
Revenue	4	6,486,417	6,856,150
Expenses			
Bar Cost of Goods Sold		718,543	718,180
Bar Direct Expenses		564,679	561,705
Bistro Cost of Goods Sold		712,495	786,079
Bistro Direct Expenses		839,472	929,845
Gaming Direct Expenses		791,531	949,785
Rental Operations		20,546	23,480
Members Amenities		957,580	999,566
Clubhouse Expenses		603,301	690,293
Administration Expenses		943,300	885,372
Finance Costs		73,143	73,395
Propagation of Sport		160,425	22,838
Total Expenses	5	6,385,015	6,640,538
Net Profit/(Loss) Before Income Tax		101,402	215,612
Income Tax Expense/(Benefit)	6	(13,752)	(72,808)
Net Profit/(Loss) After Income Tax		115,154	288,420
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)		115,154	1,137,822

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

CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
Cash Flows from Operating Activities		
Receipts from Customers	7,082,446	7,368,545
Payments to Suppliers and Employees	(6,435,073)	(6,739,464)
Interest Received	756	735
Interest Paid	(73,143)	(73,395)
<i>Net Cash Flows provided by (used in) Operating Activities</i>	574,986	556,421
Cash Flows from Investing Activities		
Proceeds from sale of Property, Plant and Equipment	30,000	86,455
Payments for Property, Plant and Equipment	(447,381)	(538,650)
Payments for Intangible Assets	-	(117,689)
Payments for Investment Properties	-	(17,043)
<i>Net Cash Flows provided by (used in) Investing Activities</i>	(417,381)	(586,927)
Cash Flows from Financing Activities		
Proceeds from Borrowings	249,145	350,316
Repayment of Borrowings	(420,683)	(289,199)
<i>Net Cash Flows provided by (used in) Financing Activities</i>	(171,538)	61,117
<i>Net Increase/(Decrease) in Cash Held</i>	(13,933)	30,611
Cash and Cash Equivalents at the Beginning of the Financial Year	383,458	352,847
Cash and Cash Equivalents at the End of the Financial Year	369,525	383,458

To be read in conjunction with the 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 2019

	Reserves \$	Retained Earnings \$	Total \$
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	2,279,715	6,065,899	8,345,614
Net profit after income tax	-	115,154	115,154
Depreciation Transfer	(35,763)	35,763	-
Balance at 30 June 2019	<u>2,243,952</u>	<u>6,216,816</u>	<u>8,460,768</u>

To be read in conjunction with the 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 2019

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) 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 Club 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.

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.

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.

Trade Receivables

Trade receivables are recognised initially at the amount of the consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost. Trade receivables are generally due within 30 days from the date of recognition.

Inventories

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

Other Assets

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

Financial Assets at Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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.

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 Club 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.

Trade and Other Payables

Trade and other payables, including accruals, are recorded initially at fair value and subsequently at amortised cost. Trade and other payables are non-interest bearing. Trade accounts payable are normally settled within 30 days.

CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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.

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 Club has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Other Liabilities

This 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.

Revenue Recognition

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

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

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.

CENTRAL CHARLESTOWN LEAGUES CLUB LTD
(ACN 000 964 849)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2 Deficiency in Working Capital

The Club has a deficiency in working capital with current assets of \$497,399 compared to current liabilities of \$1,935,273 representing a deficiency in working capital of \$1,437,874. Current liabilities includes:

- a) the entire Greater Bank Loan Facilities being \$948,388 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 \$170,139 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 Club generated positive net operating cashflows of \$574,986 during the current year.
- The Club has a cash balance at 30 June 2019 of \$369,525.
- The Club has an unused Business Line of Credit facility of \$260,439 as at 30 June 2019.
- 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
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		2019	2018
		\$	\$
4	Revenue		
	Bar Sales	1,770,711	1,748,642
	Bistro Sales	1,747,714	1,933,928
	Gaming Revenue	2,425,437	2,652,343
	Commissions	33,599	31,872
	Interest Received	756	735
	Fair Value Adjustment on Investment Properties	-	17,957
	Profit on Sale of Assets	30,000	85,223
	Raffle Income	187,683	181,095
	Rental Income	80,826	67,065
	Subscriptions	60,235	54,978
	Other Income	149,456	82,312
		6,486,417	6,856,150
5	Operating Profit/(Loss)		

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

Credits

Interest Received / Receivable	756	735
Fair Value Adjustment on Investment Properties	-	17,957
Profit on Sale of Assets	30,000	85,223

Charges

Depreciation	Land & Buildings	122,956	163,452
	Plant & Equipment	162,944	145,464
	Poker Machines	157,094	58,770
	Total Depreciation & Amortisation	442,994	367,686
Interest and Finance Costs		73,143	73,395
Loss on Sale of Assets		656	5,685
Employee Benefits			
	- Wages including leave provisions	1,720,260	1,801,484
	- Superannuation	161,498	168,823
		1,881,758	1,970,307

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NOTES TO THE FINANCIAL STATEMENTS
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	2019	2018
	\$	\$
6 Income Tax Expense		
a) Income tax expense/(benefit)		
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	101,402	215,612
Income Tax Expense/(Benefit) thereon @ 27.5% (2017: 27.5%)	27,886	59,293
Opening Tax Balances adjusted for change in Members Percentages	(19,269)	-
Apportionment Adjustment Members Income and Expenses	(22,369)	(132,101)
	(13,752)	(72,808)
Income Tax Expense/(Benefit) per Statement of Profit or Loss	(13,752)	(72,808)
Major components of income tax expense/(benefit) are:		
Current income tax charge	(7,642)	31,687
Relating to Temporary Differences	21,394	41,121
b) Deferred Tax Assets		
The Balance comprises temporary differences attributable to:		
Provisions	11,208	19,493
Other	8,430	7,612
Carried forward tax losses	65,670	73,312
	85,308	100,417
Movements		
Opening Balance	100,417	64,942
Credited/(Expensed) to the statement of profit or loss and other comprehensive income	(15,109)	35,475
Closing Balance	85,308	100,417
c) Deferred Tax Liabilities		
The Balance comprises temporary differences attributable to:		
Investment Properties	320,007	320,007
Depreciation	72,806	92,198
Other	7,383	16,852
	400,196	429,057
Movements		
Opening Balance	429,057	422,668
(Credited)/Expensed to the statement of profit or loss and other comprehensive income	(28,861)	(37,333)
Debited to other comprehensive income	-	43,722
Closing Balance	400,196	429,057

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.

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NOTES TO THE FINANCIAL STATEMENTS
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	2019	2018
	\$	\$
7 Inventories		
Stock on Hand - Bar	28,462	26,000
Stock on Hand - Bistro	17,013	18,870
Others	2,385	2,929
	<u>47,860</u>	<u>47,799</u>
8 Other Assets		
Current		
Prepayments	58,228	67,537
	<u>58,228</u>	<u>67,537</u>
9 Financial Assets at Amortised Cost		
Other Receivables	19,754	41,662
Gaming Tax Rebate	1,432	1,432
Football Club - money held	600	-
	<u>21,786</u>	<u>43,094</u>

The Club has adopted AASB 9 Financial Instruments from 1 January 2018. AASB 9 replaces the provisions of AASB 139 relating to the recognition, classification and measurement of financial assets and financial liabilities. In accordance with the transitional provisions in AASB 9 the standard has been applied retrospectively resulting in the restatement of comparative figures. There was no impact on the measurement and recognition of the Club's financial assets resulting from the adoption of AASB 9. The Club has assessed the classification of the financial assets which has resulted in changes in the classification of the following financial assets on the statement of financial position:

- Other receivables were reclassified from trade and other receivables to financial assets at amortised cost
 - Football Club money held was reclassified from trade and other receivables to financial assets at amortised cost
- The accounting policies in Note 1 have been updated to reflect the adoption of AASB 9.

10 Property, Plant and Equipment

	Land & Buildings	Plant & Equipment	Poker Machines	Capital Work in Progress	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2019					
At 1 July 2018,					
Net of Accumulated Depreciation/Amortisation	6,940,000	654,269	705,851	42,276	8,342,396
Additions	-	50,639	154,148	200,940	405,727
Fair Value Adjustment	-	-	-	-	-
Transfers	-	13,994	-	(13,994)	-
Less: Disposals	-	656	-	-	656
Less: Depreciation/Amortisation	122,956	162,944	157,094	-	442,994
At 30 June 2019					
Net of Accumulated Depreciation/Amortisation	<u>6,817,044</u>	<u>555,302</u>	<u>702,905</u>	<u>229,222</u>	<u>8,304,473</u>
At 1 July 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	<u>6,940,000</u>	<u>654,269</u>	<u>705,851</u>	<u>42,276</u>	<u>8,342,396</u>
At 30 June 2019					
Cost or Fair Value	6,940,000	1,885,574	1,243,294	229,222	10,298,090
Accumulated Depreciation/Amortisation	122,956	1,330,272	540,389	-	1,993,617
Net Carrying Amount	<u>6,817,044</u>	<u>555,302</u>	<u>702,905</u>	<u>229,222</u>	<u>8,304,473</u>

Land and Buildings are stated at fair value, which has been determined by the Directors 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.

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	2019	2018
	\$	\$
11 Investment Properties		
Opening Balance at 1 July	1,730,000	1,695,000
Additions	-	17,043
Fair Value Adjustments	-	17,957
Closing Balance 30 June	1,730,000	1,730,000
Investment properties are stated at fair value, which has been determined by the Directors based on a market valuation performed by Tew Property Consultants as at 30 June 2018 as well as market appraisals by Chapman Property as at 28 June 2019. The real estate agents frequently assess 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	217,689
13 Trade and Other Payables		
Current		
Trade Creditors	346,749	306,312
Other Creditors and Accruals	161,982	180,665
GST Payable	81,631	86,481
	590,362	573,458
14 Borrowings		
Current		
Greater Bank Loan - (secured)	704,928	808,011
Greater Bank Loan - (secured)	243,460	287,763
Line of Credit - (secured)	139,569	194,544
Aristocrat Diamond Contract	21,168	-
Insurance Loan	9,475	-
Clearing Account	1,080	900
	1,119,680	1,291,218
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		
15 Provisions		
Current		
Provision for Annual Leave	89,266	96,805
Provision for Long Service Leave	80,873	94,511
Provision for Club Grants	(532)	(3,058)
Provision for Jackpots	16,723	24,154
	186,330	212,412
Non Current		
Provision for Long Service Leave	21,550	37,618
	21,550	37,618
16 Other Liabilities		
Current		
Subscriptions in Advance	25,335	22,214
Income in Advance	13,566	5,072
	38,901	27,286
Non Current		
Subscriptions in Advance	17,082	15,727
	17,082	15,727

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17 Reserves

	General \$	Capital Redemption \$	Asset Revaluation \$	Total \$
Opening Balance as at 1 July 2018	30,007	10,724	2,238,984	2,279,715
Release of depreciation	-	-	(35,763)	(35,763)
Closing Balance at 30 June 2019	30,007	10,724	2,203,221	2,243,952

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.

	2019 \$	2018 \$
18 Commitments for Expenditure		
<i>Operating leases</i>		
Commitments in relation to non-cancellable operating leases are payable as follows:		
Within one year	25,041	30,089
Later than one year but less than five years	-	25,041
	25,041	55,130

Capital Commitments

The Club has committed to the following capital expenditure since balance date that will be expended within one year:

Replacement CCTV Cameras	9,650	-
Playground	24,988	-
	34,638	-

19 Contingent Liabilities

A contingent liability exists in relation to a claim by a former supplier, Go Energy Pty Limited (now owned by The Green Guys Group) who claim that the termination of the Power Purchase Agreement by the Club was invalid. The claim is being disputed by the Club. Based on legal advice the Directors do not believe that the Club has any further obligations under the terminated contract.

At the date of this report any potential costs to settle the matter cannot be reliably quantified.

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.

	2019 \$	2018 \$
(b) Key Management Personnel		
The following remuneration was provided to the key management personnel of the Club during the year:		
Short-term employment benefits	155,689	152,907
Long-term employment benefits	(4,660)	2,365
Post Employment benefits	15,281	14,210
	166,310	169,482