

RYDE EX-SERVICES MEMORIAL & COMMUNITY CLUB LIMITED
A.B.N 85 001 057 585

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

RYDE EX-SERVICES MEMORIAL & COMMUNITY CLUB LIMITED

A.B.N 85 001 057 585

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

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RYDE EX-SERVICES MEMORIAL & COMMUNITY CLUB LIMITED

A.B.N 85 001 057 585

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2018

The directors present their report on Ryde Ex-Services Memorial & Community Club Limited ('the Company') for the financial year ended 30 June 2018.

Directors

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

Names	Qualifications	Appointed
L. Kennedy	Consultant	31 July 2016
J.Outridge	Maintenance Supervisor	31 July 2016
P.Simmons	Retired	31 July 2016
D. Erickson	Retired	31 July 2016
G.Moodley	Retired	5 January 2017
P.Webb	Teacher	12 January 2017
J. Watts	Teacher	25 March 2018

Company secretary

S. Greacen has been the company secretary since 26 April 2017.

Principal activities

The principal activity of Ryde Ex-Services Memorial & Community Club Limited during the financial year was the conduct and promotion of a licensed social club for its members and guests.

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

Short term objectives

The Company's short term objectives are to maintain membership and increase club attendances. Improve efficiency and profitability of club operations and ensure premises are well maintained and provide a high level of customer service.

Long term objectives

The Company's long term objectives is to focus on developing the property to modernise the club's facilities in order to compete effectively within the industry. The Board will look to consolidate and diversify its current revenue base to ensure the club's financial security and survival in the long term, with a mission to satisfy the needs of and give to the local community.

Strategy for achieving the objectives

The primary strategy for achieving these objectives is an ongoing business plan and yearly strategic plans which focus on club development, both short and long term.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company to remain financially viable so it can continue to offer its members and guests a growing community club.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2018

Performance measures and key performance indicators (KPIs)

A number of KPIs are analysed in order to measure the performance of the business. These include EBITDA, gross profits percentages, expenses to sales percentages, current ratio, debt and other ratios. These results are incorporated into a financial report that is reviewed by Management and the Board of Directors monthly.

Operating results

The profit/(loss) of the Company after providing for income tax amounted to \$ 3,391,916 (2017: \$ (346,195)).

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

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

Future developments and results

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

Environmental matters

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

Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business and the realisation of assets and settlement of liabilities in the ordinary course of business.

The directors expect the Company to improve trading activities and profitability for the 2019 year due mainly to a reduction in the level of interest and legal expenses and other cost savings.

However, there were conditions as at 30 June 2018, which give rise to business risks that cast doubt about the going concern assumption. They are as follows:

- The Company has an excess of current liabilities over current assets of \$38,324;
- Trading losses of \$512,048 in the current year following a trading loss of \$646,195 in the previous year (trading loss is prior to profit from sale of assets in current year and prior to a profit on a forfeited deposit in the previous year);
- Unaudited trading loss in July 2018 of \$30,271;
- At 30 June 2018, the company's cash position was \$250,297; and
- The Company's diminishing cash balances.

The ability of the Company to meet its obligations as and when they fall due is dependent on profitable trading sufficient to service operating costs. Should the Company be unable to continue as a going concern, the Company may be required to realise assets at values

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2018

Going concerns (Continued)

different from those stated in the financial statements and the classification of assets and liabilities would be affected.

Meetings of directors

During the financial year, 13 meetings of directors were held. Attendances by each director during the year were as follows:

Directors' Meetings		
	Number eligible to attend	Number attended
L. Kennedy	13	12
J. Outridge	13	13
P. Simmons	13	13
D. Erickson	13	13
G. Moodley	13	10
P. Webb	13	8
J. Watts	4	4

Indemnification and insurance of directors and officers


During the financial year the company paid a premium to insure certain officers of the company. The officers of the company covered include the Directors and General Manager. The liabilities covered include the costs incurred in defending civil or criminal proceedings that may be brought against officers in their capacity as officers of the company. Disclosure of the premium amount and nature of liabilities covered is prohibited by a confidentiality clause in the policy.

Except for the above, the company 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 company or of a related body corporate: indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2018 has been received and can be found on page 4 of the financial report.

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

Director: 
L. Kennedy

Director: 
P. Simmons

Dated: 28TH SEPT. 2018



The Board of Directors
Ryde Ex-Services Memorial & Community Club Limited
728 Victoria Road
RYDE NSW 2112

Dear Board Members

**Lead Auditor's Independence Declaration to the Directors of
Ryde Ex-Services Memorial & Community Club Limited**

In relation to our audit of the financial report of Ryde Ex-Services Memorial & Community Club Limited for the year ended 30 June 2018, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

**V J RYAN & CO
Chartered Accountants**

A handwritten signature in black ink, appearing to read 'V.J. Ryan & Co' with a stylized flourish below it.

**Peter D Wyer
Partner**

Dated 28th Sept 2018

**Level 5
255 George Street
SYDNEY NSW 2000**

Liability limited by a scheme approved under Professional Standards Legislation

Level 5 255 George Street Sydney 2000 Tel 9240 4900 Fax 9247 5930 Email: vjryan@vjr.com.au www.vjr.com.au

RYDE EX-SERVICES MEMORIAL & COMMUNITY CLUB LIMITED

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
Note	\$	\$
Revenue	4 3,285,648	3,170,449
Cost of sales	(361,948)	(398,426)
GROSS PROFIT	2,923,700	2,772,023
Other income	4(a) 6,466	108,497
Legal expenses	(169,920)	(307,226)
Employee benefits	(838,424)	(787,108)
Repairs and maintenance	(270,955)	(299,159)
Poker machine promotions and duty	(394,001)	(371,169)
Administrative, member & facility expenses	(1,109,240)	(1,071,308)
PROFIT BEFORE DEPRECIATION, FINANCE COSTS, SALE OF SPORTS HALL & INCOME TAX EXPENSE	147,626	44,550
Depreciation	(493,693)	(285,513)
Finance costs	(165,981)	(405,232)
(LOSS) BEFORE SALE OF SPORTS HALL	(512,048)	(646,195)
Profit on sale of sports hall	3,903,964	-
Property sale deposit forfeited	-	300,000
PROFIT/(LOSS) BEFORE INCOME TAX	3,391,916	(346,195)
Income tax expense	7 -	-
PROFIT/(LOSS) FOR THE YEAR	3,391,916	(346,195)
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX		
Items that will not be reclassified subsequently to profit or loss		
Gain on revaluation of land	13,927,800	-
Items that will be reclassified to profit or loss when specific conditions are met		
	-	-
Other comprehensive income for the year, net of tax	13,927,800	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	17,319,716	(346,195)

The accompanying notes form part of these financial statements.

RYDE EX-SERVICES MEMORIAL & COMMUNITY CLUB LIMITED

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STATEMENT OF FINANCIAL POSITION

30 JUNE 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	250,297	1,365,750
Trade and other receivables	9	21,196	37,239
Inventories	10	29,951	41,081
Other assets	11	57,617	136,560
TOTAL CURRENT ASSETS		359,061	1,580,630
NON-CURRENT ASSETS			
Property, plant and equipment	12	24,158,336	10,879,249
TOTAL NON-CURRENT ASSETS		24,158,336	10,879,249
TOTAL ASSETS		24,517,397	12,459,879
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	152,429	229,373
Borrowings	14	188,355	5,514,277
Employee benefits	15	56,601	52,302
TOTAL CURRENT LIABILITIES		397,385	5,795,952
NON-CURRENT LIABILITIES			
Borrowings	14	134,488	-
Employee benefits	15	53,017	51,136
TOTAL NON-CURRENT LIABILITIES		187,505	51,136
TOTAL LIABILITIES		584,890	5,847,088
NET ASSETS		23,932,507	6,612,791
EQUITY			
Reserves	16	13,927,800	-
Retained earnings		10,004,707	6,612,791
TOTAL EQUITY		23,932,507	6,612,791

The accompanying notes form part of these financial statements.

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

2018

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2017	6,612,791	-	6,612,791
Profit for the year	3,391,916	-	3,391,916
Other comprehensive income for the year	-	13,927,800	13,927,800
Balance at 30 June 2018	10,004,707	13,927,800	23,932,507

2017

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2016	6,958,986	-	6,958,986
Loss for the year	(346,195)	-	(346,195)
Other comprehensive income for the period	-	-	-
Balance at 30 June 2017	6,612,791	-	6,612,791

The accompanying notes form part of these financial statements.

RYDE EX-SERVICES MEMORIAL & COMMUNITY CLUB LIMITED

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	3,322,537	3,456,010
Payments to suppliers and employees	(3,170,699)	(3,881,442)
Interest received	6,466	8,737
Interest paid	(165,981)	(405,232)
Net cash (used in) operating activities	23 (7,677)	(821,927)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	7,197
Purchase of property, plant and equipment	(144,299)	(536,589)
Net cash used by investing activities	(144,299)	(529,392)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	-	147,659
Repayment of borrowings	(803,169)	-
Payment of finance lease liabilities	(160,308)	-
Net cash used in/(provided by) financing activities	(963,477)	147,659
Net increase/(decrease) in cash and cash equivalents held	(1,115,453)	(1,203,660)
Cash and cash equivalents at beginning of year	1,365,750	2,569,410
Cash and cash equivalents at end of financial year	8 250,297	1,365,750

The accompanying notes form part of these financial statements.

RYDE EX-SERVICES MEMORIAL & COMMUNITY CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Ryde Ex-Services Memorial & Community Club Limited ('the Company') is a for-profit Company limited by guarantee, incorporated and domiciled in Australia. The nature of the operations and principal activities of the company is a licensed club.

The financial report was authorised for issue by the Directors in accordance with a resolution of the directors on the day of authorising the directors' declaration.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements (including *Australian Accounting Interpretations* adopted by the *Australian Accounting Standards Board (AASB)* and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, except for the cash flow information have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

2 Summary of Significant Accounting Policies

(a) Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business and the realisation of assets and settlement of liabilities in the ordinary course of business.

The directors expect the Company to improve trading activities and profitability for the 2019 year due mainly to a reduction in the level of interest and legal expenses and other cost savings.

However, there were conditions as at 30 June 2018, which give rise to business risks that cast doubt about the going concern assumption. They are as follows:

- The Company has an excess of current liabilities over current assets of \$38,324;
- Trading losses of \$512,048 in the current year following a trading loss of \$646,195 in the previous year (trading loss is prior to profit from sale of assets in current year and prior to a profit on a forfeited deposit in the previous year);
- Unaudited trading loss in July 2018 of \$30,271;
- At 30 June 2018, the Company's cash position was \$250,297; and
- The Company's diminishing cash balances.

The ability of the Company to meet its obligations as and when they fall due is dependent on profitable trading sufficient to service operating costs. Should the Company be unable to continue as a going concern, the Company may be required to realise assets at values different from those stated in the financial statements and the classification of assets and liabilities would be affected.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

2 Summary of Significant Accounting Policies (Continued)

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

(i) Sale of goods and services

Revenue from bar sales, poker machines and other services are recognised on a receipts basis.

(ii) Interest Revenue

Interest revenue is recognised when it accrues.

(iii) Sale of non-current assets

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal and is included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

(c) Income Tax

The company is subject to income tax on its investment income and on the income derived from non-members, less all allowable deductions applicable to this assessable income. Income derived from members is not subject to income tax in accordance with the principle of mutuality. It is therefore inappropriate to compare income tax payable with net income disclosed in the Statement of Profit or Loss and Other Comprehensive Income. There are no material temporary differences.

(d) Finance costs

Finance costs include interest, premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges.

(e) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash on hand and at bank together with short-term deposits with an original maturity of six months or less that are readily convertible to known cash amounts subject to insignificant risk of changes in value.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost assigned to inventories are on an average cost basis.

(g) Property, plant and equipment

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

2 Summary of Significant Accounting Policies (Continued)

(g) Property, plant and equipment (Continued)

Freehold land and building

Freehold Land was revalued to Director's Valuation at year end. Previously it was valued at cost. Buildings are measured at cost less accumulated depreciation and any impairment in value.

Plant, equipment and poker machines

These assets are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the estimated useful life.

The depreciation rates used for each class of asset are as follows:

Buildings and improvements	2.5%
Vehicles	20%
Furniture, fittings and equipment	15%
Poker machines	20%

The estimated useful lives, residual values and depreciation methods are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve relating to those assets are transferred to retained earnings.

(h) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount.

(i) Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate. Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

2 Summary of Significant Accounting Policies (Continued)

(j) Trade and other payables

Trade and other payables represent the liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid.

(k) Interest bearing loans and borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the profit or loss over the period of borrowings using the effective interest 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 end of the reporting period.

(l) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the company, are classified as finance leases. Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

(m) Employee benefits

Provision is made for entitlements accruing to employees in relation to wages, salaries, annual leave, long service leave and other benefits where the company has a present obligation to pay resulting from employees' services provided up to reporting date.

- Wages, Salaries, and Annual Leave – Liabilities for employee benefits for wages, salaries and annual leave is expected to be settled within 12 months of year-end. The provision has been calculated at current wage and salary rates including related on-costs. Sick leave is expensed as incurred.
- Long Service Leave – The liability for employee benefits for long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to reporting date. The portion of the long service leave liability not expected to be settled within 12 months is discounted using the rates applicable to national government securities at reporting date, which most closely match the terms of maturity of the related liability.
- Superannuation – Superannuation contributions by the company on a defined basis to an employee superannuation fund are charged as expenses when incurred. The Company has no legal obligation to provide benefits to employees on retirement. Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settle.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

2 Summary of Significant Accounting Policies (Continued)

(n) Goods and services tax (GST)

Revenue, 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 Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(o) New accounting standards and interpretations

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company. The Company will consider the impact in future years.

3 Critical Accounting Estimates and Judgments

The Directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates. Estimates and assumptions are reviewed on an ongoing basis.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

4 Revenue and Other Income

	2018	2017
	\$	\$
Sales revenue		
- Bar sales	840,074	902,365
- Catering sales	22,222	29,542
	<u>862,296</u>	<u>931,907</u>
Rendering of services		
- Poker machines- net clearances	1,951,813	1,852,673
- Members' subscription	11,046	16,917
- Functions revenue	21,859	24,518
- Raffles and bingo	122,063	129,497
- ATM, keno and TAB commission received	125,548	124,115
- Sports hall income	94,331	51,609
- Sundry income	82,329	30,477
	<u>2,408,989</u>	<u>2,229,806</u>
Finance income		
- interest received	14,363	8,736
	<u>3,285,648</u>	<u>3,170,449</u>

(a) Other Income

Other Income		
- Other income	6,466	-
- Write off of pre-administration balances	-	81,795
- Profit on sale of plant and equipment	-	26,702
	<u>6,466</u>	<u>108,497</u>

5 Expenses

Other expenses:		
Salary and wages	755,285	704,931
Superannuation contributions	65,463	67,395
Workers compensation	17,675	14,782
	<u>838,423</u>	<u>787,108</u>

6 Auditors' Remuneration

Remuneration of the auditor - V J Ryan & Co for:		
- auditing or reviewing the financial statements	20,000	20,000
- other services	8,000	4,000
	<u>28,000</u>	<u>24,000</u>

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FOR THE YEAR ENDED 30 JUNE 2018

7 Income Tax Expense

(a) Reconciliation of income tax to accounting profit:

	2018	2017
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2017: 27.5%)	932,777	(95,203)
Add:		
Tax effect of:		
- Mutuality adjustment	(932,777)	95,203
Income tax expense	<u>-</u>	<u>-</u>

8 Cash and Cash Equivalents

Cash on hand	100,000	100,000
Cash at bank	150,297	963,790
Term deposits	-	301,960
	<u>250,297</u>	<u>1,365,750</u>

9 Trade and Other Receivables

CURRENT

Trade receivables	350	37,239
GST receivable	20,846	-
	<u>21,196</u>	<u>37,239</u>

10 Inventories

CURRENT

At cost:		
Inventories	29,951	41,081
	<u>29,951</u>	<u>41,081</u>

11 Other Assets

CURRENT

Prepayments	5,877	103,773
Other assets	51,740	32,787
	<u>57,617</u>	<u>136,560</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

12 Property, Plant and Equipment

	Note	2018 \$	2017 \$
Land and buildings			
Freehold land			
At directors' valuation	12(a)	18,895,000	-
At cost		-	5,600,000
		<u>18,895,000</u>	<u>5,600,000</u>
Buildings			
At cost		5,792,753	5,871,707
Accumulated depreciation		(1,805,683)	(1,727,410)
		<u>3,987,070</u>	<u>4,144,297</u>
Total land and buildings		<u>22,882,070</u>	<u>9,744,297</u>
Plant and equipment			
Plant and equipment			
At cost		1,132,053	1,658,628
Accumulated depreciation		(796,497)	(1,161,340)
		<u>335,556</u>	<u>497,288</u>
Poker machines			
At cost		1,683,741	2,032,873
Accumulated depreciation		(743,031)	(1,395,209)
		<u>940,710</u>	<u>637,664</u>
Total plant and equipment		<u>1,276,266</u>	<u>1,134,952</u>
Total property, plant and equipment		<u>24,158,336</u>	<u>10,879,249</u>

(a) Revaluation

The freehold land was revalued to Directors Valuation as at 30 June 2018. This valuation was based on the latest Notice of Valuation from the NSW Valuer General dated 1 July 2016.

(b) Core properties

The company's core properties under the Registered Clubs Act are their premises located at 724 Victoria Road, Ryde, NSW 2112.

There are no non-core properties held by the company.

RYDE EX-SERVICES MEMORIAL & COMMUNITY CLUB LIMITED

A.B.N 85 001 057 585

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

12 Property, Plant and Equipment (Continued)

(c) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land \$	Buildings \$	Plant and Equipment \$	Poker Machines \$	Total \$
Year ended 30 June 2018					
Opening balance	5,600,000	4,144,297	497,288	637,664	10,879,249
Additions	-	-	38,242	589,212	627,454
Disposals	(632,800)	(21,870)	(80,415)	(47,389)	(782,474)
Revaluation increase	13,927,800	-	-	-	13,927,800
Depreciation	-	(135,357)	(119,559)	(238,777)	(493,693)
Balance at the end of the year	18,895,000	3,987,070	335,556	940,710	24,158,336

13 Trade and Other Payables

	2018 \$	2017 \$
CURRENT		
Trade payables	29,972	62,056
GST payable	-	11,644
Other creditors and accruals	122,457	155,673
	<u>152,429</u>	<u>229,373</u>

14 Borrowings

	Note	2018 \$	2017 \$
CURRENT			
Secured liabilities:			
Finance leases	17	188,355	-
Business line of credit Australian Securities Limited		-	5,514,277
NON-CURRENT			
Secured liabilities:			
Finance leases	17	134,488	-
Total borrowings		<u>322,843</u>	<u>5,514,277</u>

(a) Defaults and breaches

During the current and prior year, there were no defaults or breaches on any of the loans.

RYDE EX-SERVICES MEMORIAL & COMMUNITY CLUB LIMITED

A.B.N 85 001 057 585

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

14 Borrowings (Continued)

(b) Discharge of loan

The proceeds from the sale of the Sports Hall were used to discharge the business line of credit in May 2018.

15 Employee Benefits

	2018	2017
	\$	\$
CURRENT LIABILITIES		
Provision for annual leave	<u>56,601</u>	<u>52,302</u>
NON-CURRENT LIABILITIES		
Provision for long service leave	<u>53,017</u>	<u>51,136</u>

16 Asset revaluation reserve

The asset revaluation reserve records fair value movements on land held under the revaluation model.

17 Capital and Leasing Commitments

(a) Finance Leases

Minimum lease payments:

- not later than one year

188,355 -

- between one year and five years

134,488 -

Minimum lease payments

322,843 -

Present value of minimum lease payments

322,843 -

Finance leases are in place for poker machines and related hardware.

18 Key Management Personnel Disclosures

The key management personnel include the directors as disclosed in the Directors' Report together with the General Manager. The totals of remuneration, which includes director honorariums, paid to the key management personnel of Ryde Ex-Services Memorial & Community Club Limited during the year are as follows:

The total remuneration paid to key management personnel of the Company is \$ 131,450 (2017: \$ 95,750).

(a) Other Director Transactions with the Company

From time to time, directors of the company, or their director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or customers and are trivial or domestic in nature.

RYDE EX-SERVICES MEMORIAL & COMMUNITY CLUB LIMITED

A.B.N 85 001 057 585

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

19 Contingencies

Contingent Liabilities

A defamation claim has been made against the Company by one of the joint and several guarantors from the original purchasers of the Sports Hall. If the Company is unsuccessful in defending the claim it may be required to pay their legal costs.

Contingent Assets

The Company has commenced legal proceedings against the joint and several guarantors of the original purchasers of the Sports Hall. The Company is seeking damages of approximately \$2,000,000 and the Directors believe that they will be successful.

20 Events Occurring After the Reporting Date

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

21 Statutory Information

The registered office and principal place of business of the company is:

Ryde Ex-Services Memorial & Community Club Limited
742 Victoria Road
Ryde NSW 2112

22 Members' Fund

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 2 each towards meeting any outstandings and obligations of the Company. At 30 June 2018 the number of members was 3,787 (2017: 3,917).

RYDE EX-SERVICES MEMORIAL & COMMUNITY CLUB LIMITED

A.B.N 85 001 057 585

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

23 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2018	2017
	\$	\$
Profit/(loss) for the year	3,391,916	(346,194)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	493,693	285,513
-loss on disposal	153,562	-
- gain on sale of plant and equipment	-	(26,702)
- gain on sale of sports hall	(4,082,200)	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	36,889	(21,465)
- (increase)/decrease in other assets	78,943	484,949
- (increase)/decrease in inventories	11,130	(6,470)
- increase/(decrease) in income in advance	-	(10,940)
- increase/(decrease) in trade and other payables	(97,789)	(1,165,248)
- increase/(decrease) in provisions	6,179	(15,370)
Cashflows from operations	(7,677)	(821,927)

RYDE EX-SERVICES MEMORIAL & COMMUNITY CLUB LIMITED

A.B.N 85 001 057 585

DIRECTORS' DECLARATION

The directors of Ryde Ex-Services Memorial & Community Club Limited ('the Company') declare that:

1. The financial statements and notes, as set out on pages 5 to 20, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and
 - b. give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company 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.

Director
L. Kennedy



Director
P. Simmons



Dated

28th Sept. 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

RYDE EX-SERVICES MEMORIAL & COMMUNITY CLUB LIMITED

(A Company Limited by Guarantee)

A.B.N. 85 001 057 585

Opinion

We have audited the financial report of Ryde Ex-Services Memorial & Community Club ("the Company"), which comprises the Statement of Financial Position as at the 30 June 2018, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and Notes to the Financial Statements comprising the Summary of Significant Accounting Policies and Directors' Declaration.

In our opinion, the accompanying financial report of Ryde Ex-Services Memorial & Community Club is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and its performance for the financial year ended on that date; 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 Company 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Ryde Ex-Services Memorial & Community Club would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material Uncertainty relating to Going Concern

Without qualification to the opinion expressed above, attention is drawn to note 2 (a) to the financial statements which highlights the existence of uncertainty that may cast doubt concerning the Company's ability to continue as a going concern and therefore whether the Company will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

RYDE EX-SERVICES MEMORIAL & COMMUNITY CLUB LIMITED (Continued)
(A Company Limited by Guarantee)
A.B.N. 85 001 057 585

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

The directors are responsible for the other information. The other information comprises the information included in the directors' 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 to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

VJR
V.J. RYAN
& CO
CHARTERED ACCOUNTANTS
A.B.N. 55 704 784 107

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

RYDE EX-SERVICES MEMORIAL & COMMUNITY CLUB LIMITED (Continued)
(A Company Limited by Guarantee)
A.B.N. 85 001 057 585

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

V J RYAN & CO
Chartered Accountants



Peter D Wyer
Partner

Dated at Sydney: 28th Sept. 2018

Level 5
255 George Street
SYDNEY NSW 2000