
North Bondi RSL Club Limited

ABN 89 001 033 601

Annual Financial Report
31 December 2018

North Bondi RSL Club Limited

Directors' Report

The directors present their report together with the financial statements of North Bondi RSL Club Limited (the company) for the year ended 31 December 2018.

Directors

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

Name of the director	Date of appointment	Experience and special responsibilities
Martyn Bell	19 April 2009	Business consultant and 10 years as President
John Heapy	22 September 1999	Retired, and 20 years as company director
Paul Koerber	6 April 2013	Naval Commander
John Ferguson	12 April 2014	Accountant
Tommy McAuley	27 January 2015	Plumber
Ken Cross	14 April 2018	Retired
Chris Hirst	14 April 2018	IT Consultant
Colin McFarland	28 June 2014 (Resigned 14 th April 2018)	Public Servant
David Dworjanyn	12 April 2014 (Resigned 14 th April 2018)	Solicitor

Directors' meetings

The number of meetings of the company's Board of Directors (the Board) held during the year ended 31 December 2018 and the numbers of meetings attended by each director were:

Director	Number of meetings attended	Number of meetings held *
Martyn Bell	12	12
John Heapy	10	12
Paul Koerber	10	12
John Ferguson	12	12
Tommy McAuley	11	12
Ken Cross	7	9
Chris Hirst	9	9
Colin McFarland	3	3
David Dworjanyn	2	3

* Number of meetings held during the time the director held office during the year.

North Bondi RSL Club Limited

Directors' Report

Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 31 December 2018 and the comparison with last year is as follows:

	2018	2017
Ordinary	109	91
Associate	9,122	7,582
Life	1	1
	<hr/>	<hr/>
	9,232	7,674
	<hr/> <hr/>	<hr/> <hr/>

Members' limited liability

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter. The total liability in the event of winding up is \$18,464 (2017: \$15,348).

Operating result

The profit before tax for the year amounted to \$191,058 compared with a loss of \$204,614 for the prior year. After charging \$308,058 (2017: \$202,649) for depreciation and amortisation and before recognising an income tax expense of \$43,605 (2017: Benefit of \$41,877), the Net profit amounted to \$147,453 (2017: loss of \$162,737).

Objectives

The company's long term objective is to provide first class social facilities and amenities for the benefit of the Members and their guests, primarily from the eastern suburbs as well as local and international tourists.

Strategy for achieving the objectives

The objective is to be achieved by continuing to maintain a level of profitability to allow re-investment into the upgrading of the premises, thereby encouraging and developing a long term and viable business.

Principal activities

The principal activities of the company during the course of the financial year were the promotion of the objectives of the Club and the conduct and promotion of a licensed social Club for the Members.

There were no significant changes in the nature of the activities of the company during the year.

North Bondi RSL Club Limited

Directors' Report

How these activities assist in achieving the objectives

By providing access and enjoyment to a world class setting in a relaxed environment to members, their guests, and the public, whilst delivering a high level of customer service

Performance measurement and key performance indicators

The Club evaluates performance by comparison to other clubs. This comparison is both local (Eastern suburbs) and across New South Wales.

Performance is also measured by comparing income and expenditure over prior periods as well as evaluating trend lines.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 4.

Signed in accordance with a resolution of the directors.

Dated at North Bondi on 5 March 2019.

M Bell
President

DECLARATION OF INDEPENDENCE BY PAUL CHEESEMAN TO THE DIRECTORS OF NORTH BONDI RSL CLUB LIMITED

As lead auditor for the review of North Bondi RSL Club Limited for the year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of North Bondi RSL Club Limited.

Paul Cheeseman
Partner

BDO East Coast Partnership

Sydney, 5 March 2019

To the members of North Bondi RSL Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of North Bondi RSL Club Limited (the Company), which comprises the statement of financial position as at 31 December 2018, the statement of profit and loss and other comprehensive income, the statement of changes in members' funds and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of North Bondi RSL Club Limited, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2018 and of its financial performance for the 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 *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 the Company, 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.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors report, 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 on the other information obtained prior to the date of this auditor's report, 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 has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_files/ar3.pdf.

This description forms part of our auditor's report.

BDO East Coast Partnership

Paul Cheeseman
Partner

Sydney, 5 March 2019

North Bondi RSL Club Limited

Directors' Declaration

The directors of North Bondi RSL Club Limited declare that:

- (a) In the Directors' opinion the financial statements and notes set out on pages 12 to 25, are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the company's financial position as at 31 December 2018 and of its performance, for the financial year ended on that date; and
 - (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

Dated at North Bondi on 5 March 2019

M Bell
President

North Bondi RSL Club Limited

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2018

	Note	2018 \$	2017 \$
Revenue			
Sale of goods		4,793,177	3,631,835
Rendering of services		484,063	384,182
Other revenue		28,091	26,625
		<hr/>	<hr/>
Total revenue	1	5,305,331	4,042,642
		<hr/>	<hr/>
Expenses			
Raw materials and consumables used		(1,664,229)	(1,299,752)
Employee benefits expense		(1,925,254)	(1,608,063)
Entertainment, marketing and promotional costs		(186,369)	(119,640)
Occupancy expenses		(726,674)	(572,395)
Professional services fees		(82,904)	(83,208)
Depreciation and amortisation expenses	2	(308,058)	(202,649)
Donations and grants		(637)	(1,495)
Finance costs		(62,799)	(16,981)
Loss on Disposals of Plant & Equipment	2	(3,876)	(211,854)
Other expenses		(153,473)	(131,220)
		<hr/>	<hr/>
		(5,114,273)	(4,247,256)
		<hr/>	<hr/>
Profit/(loss) before income tax		191,058	(204,614)
Income tax (expense)/benefit	3(a)	(43,605)	41,877
		<hr/>	<hr/>
Net profit / (loss) after income tax expense		147,453	(162,737)
		<hr/>	<hr/>
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the year attributable to members		147,453	(162,737)
		<hr/> <hr/>	<hr/> <hr/>

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 12 to 25.

North Bondi RSL Club Limited
Statement of Financial Position
As at 31 December 2018

	Note	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents		682,816	811,288
Trade and other receivables		57,720	51,121
Inventories		74,812	97,227
Current tax asset		-	6,940
Other current assets	4	114,014	92,266
		<hr/>	<hr/>
Total Current Assets		929,362	1,058,842
		<hr/>	<hr/>
Non-Current Assets			
Property, plant and equipment	5	2,635,126	2,597,764
Deferred tax assets	3(c)	16,420	51,398
		<hr/>	<hr/>
Total Non-Current Assets		2,651,546	2,649,162
		<hr/>	<hr/>
Total Assets		3,580,908	3,708,003
		<hr/>	<hr/>
LIABILITIES			
Current liabilities			
Trade and other payables	6	357,397	443,342
Current tax liabilities	3(b)	7,264	-
Employee benefits	7	120,657	91,121
Borrowings	8	241,526	314,772
Income received in advance	9	88,500	85,000
		<hr/>	<hr/>
Total Current Liabilities		815,344	934,235
		<hr/>	<hr/>
Non-Current Liabilities			
Employee benefits	7	23,984	18,509
Borrowings	8	611,573	841,379
Income received in advance	9	301,866	233,193
		<hr/>	<hr/>
Total Non-Current Liabilities		937,423	1,093,081
		<hr/>	<hr/>
Total Liabilities		1,752,767	2,027,316
		<hr/>	<hr/>
Net Assets		1,828,141	1,680,688
		<hr/>	<hr/>
Members' Funds			
Retained profits		1,828,141	1,680,688
		<hr/>	<hr/>
Total Members' Funds		1,828,141	1,680,688
		<hr/>	<hr/>

The Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 12 to 25.

North Bondi RSL Club Limited
Statement of Changes in Members' Funds
For the Year Ended 31 December 2018

	Retained Earnings \$	Total Equity \$
Balance at 31 December 2016	1,843,425	1,843,425
Loss for the year	(162,737)	(162,737)
Other comprehensive income for the year	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	(162,737)	(162,737)
	<hr/>	<hr/>
Balance at 31 December 2017	1,680,688	1,680,688
	<hr/>	<hr/>
Profit/(Loss) for the year	147,453	147,453
Other Comprehensive income for the year	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	147,453	147,453
	<hr/>	<hr/>
Balance at 31 December 2018	<u>1,828,141</u>	<u>1,828,141</u>

The Statement of Changes in Members Funds should be read in conjunction with the accompanying notes set out on pages 12 to 25.

North Bondi RSL Club Limited
Statement of Cash Flows
For the Year Ended 31 December 2018

	2018 \$	2017 \$
Cash Flows From Operating Activities		
Receipts from customers	5,897,624	4,504,304
Payments to suppliers and employees	(5,320,098)	(3,791,584)
Interest received	3,573	8,290
Finance costs	(62,799)	(16,981)
Net Tax refund /(payment)	5,578	(20,786)
	<hr/>	<hr/>
Net cash inflow from operating activities	523,878	683,243
	<hr/>	<hr/>
Cash Flows From Investing Activities		
Payment for property, plant and equipment	(349,298)	(2,503,317)
Proceeds from redemption of investment	-	900,000
	<hr/>	<hr/>
Net cash outflow from investing activities	(349,298)	(1,603,317)
	<hr/>	<hr/>
Cash Flows From Financing Activities		
Proceeds of borrowings	7,803	1,150,000
Repayment of borrowings	(310,855)	(40,478)
	<hr/>	<hr/>
Net cash (outflow) / inflow from financing activities	(303,052)	1,109,522
	<hr/>	<hr/>
Net (decrease) / increase in cash and cash equivalents	(128,472)	189,448
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the financial year	811,288	621,840
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	682,816	811,288
	<hr/> <hr/>	<hr/> <hr/>

The Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 12 to 25.

North Bondi RSL Club Limited

Notes to the Financial Statements

For the Year Ended 31 December 2018

About this report

North Bondi RSL Club Limited is a company limited by guarantee, incorporated and domiciled in Australia and is a non-for-profit entity for the purposes of preparing the financial statements. The financial statements are for North Bondi RSL Club Limited as a standalone legal entity.

The financial statements were approved for issue by the Directors on 5 March 2019.

The financial statements are general purposes financial statements which:

- Have been prepared in accordance with the requirements of the Corporations Act 2001 and Australia Accounting Standards - Reduced Disclosure Requirements of the Australia Accounting Standards Board;
- Have been prepared under the historical cost convention;
- Are presented in Australian dollars;
- Where necessary comparative information has been restated to conform with changes in presentation in the current year;
- Adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Company and effective for reporting periods beginning on or after 1 January 2018; and
- Have been prepared on an ongoing concern basis.

The Notes to the Financial Statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the company. Information is considered material and relevant if, for example:

- The amount in question is significant because of its size or nature;
- It is important for understanding the results of the company;
- It helps to explain the impact of significant changes in the company's business - for example, acquisitions and impairment write downs; and
- It relates to an aspect of the Company's operations that is important to its future performance.

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

Critical Accounting Judgements, Estimates and Assumptions

In the process of applying the company's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates that are material to the financial statements include:

Impairment of non-financial assets	Note 5
Estimation of useful lives of assets	Note 5
Long service leave liability	Note 7

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2018

	2018 \$	2017 \$
1 Revenue and Other Income		
Sale of Goods Revenue		
Bar and Bistro sales	4,793,177	3,631,835
	<hr/>	<hr/>
	4,793,177	3,631,835
	<hr/>	<hr/>
Rendering of Services Revenue		
Members' subscriptions	212,017	178,555
Other rendering of services	272,046	205,627
	<hr/>	<hr/>
	484,063	384,182
	<hr/>	<hr/>
Other Revenue		
Interest received	3,573	8,290
Sundry revenue	24,518	18,335
	<hr/>	<hr/>
Total other revenue	28,091	26,625
	<hr/>	<hr/>
	<hr/>	<hr/>
Total revenue and other income	5,305,331	4,042,642
	<hr/>	<hr/>

Recognition and Measurement

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Sale of Goods

Revenue from the sale of goods comprises revenue earned from the provision of beverage and other goods and is recognised (net of rebates, returns, discounts and other allowances) on the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods.

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2018

1 Revenue and Other Income

Recognition and Measurement (continued)

Rendering of Services

Revenue from rendering services comprises revenue from gaming facilities together with Tab Commissions, Keno sales and other services to members and other patrons of the Club and is recognised when the services are provided.

Interest Revenue

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Other Income

Other income comprises of revenue from sale or disposal of PPE and is recognised when the services are provided.

	2018 \$	2017 \$
2 Expenses		
(Loss)/Profit before income tax includes the following specific expenses:		
Rental expense relating to operating leases	221,558	214,832
Depreciation and amortisation		
Leasehold improvements	195,060	49,505
Plant and equipment	70,340	94,562
Furniture and fittings	42,658	58,582
Total depreciation and amortisation	308,058	202,649
Net expense from movements in provision for employee benefits	35,010	19,986
Defined contribution superannuation expense	147,068	128,012
Loss on Disposals of PPE	3,876	211,854
Finance Costs	62,799	16,981

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2018

3 Income Tax

(a) Income Tax

The Income Tax Assessment Act, 1997 (amended) provides that under the concept of mutuality clubs are only liable for income tax on income derived from non-members and from outside entities.

	2018 \$	2017 \$
The amount set aside for income tax in the statement of financial performance has been calculated as follows:		
Proportion of income attributable to non-members	2,032,008	1,628,386
Less: Proportion of expenses attributable to non-members	(1,852,294)	(1,738,100)
	<hr/>	<hr/>
	179,714	(109,714)
Add: Other taxable income	170,822	145,071
	<hr/>	<hr/>
	350,536	35,357
Less: Other deductible expenses	(195,239)	(174,255)
Transfer to Tax Losses c/forward	-	138,898
Tax Losses Claimed	(138,898)	-
Adjustment	10,017	-
	<hr/>	<hr/>
Net income subject to tax	26,416	-
	<hr/>	<hr/>
Current income tax applicable to above at rate of 27.5%	7,264	-
Under / (Over) provision prior year	1,363	(1,980)
Decrease/(increase) in deferred tax assets	34,978	(39,897)
	<hr/>	<hr/>
Income tax expense/(benefit)	43,605	(41,877)
	<hr/>	<hr/>

(b) Current Tax Assets/(Liabilities)

Movements during the year:

Balance at beginning of year	6,940	(15,826)
Income tax paid	8,795	20,786
Income tax refunds received	(14,372)	-
Current year's income tax expense on profit	(8,627)	1,980
	<hr/>	<hr/>
	(7,264)	6,940
	<hr/>	<hr/>

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2018

3 Income Tax (continued)

(c) Deferred Tax Assets

	2018 \$	2017 \$
The balance comprises temporary differences attributable to:		
Deferred Tax Losses	<u>16,420</u>	<u>51,398</u>
Net deferred tax assets	<u>16,420</u>	<u>51,398</u>
Movements		
Opening balance	51,398	11,501
(Deducted)/Credited to the Statement of Profit or Loss and Other Comprehensive Income	(34,978)	39,897
Closing balance	<u>16,420</u>	<u>51,398</u>

Recognition and Measurement

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates that are enacted or substantively enacted.

Deferred tax assets are recognised for deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle the claim simultaneously.

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2018

	2018	2017
	\$	\$
4 Other Assets		
Current		
Prepayments	85,407	51,288
Prepaid workers compensation	26,479	32,468
Accrued Income	1,720	8,510
Deposits Paid	408	-
	<hr/>	<hr/>
Total other current assets	114,014	92,266
	<hr/> <hr/>	<hr/> <hr/>
 5 Property, Plant and Equipment		
Leasehold improvements		
<i>At cost</i>	3,160,562	2,959,504
<i>Accumulated amortisation</i>	(888,239)	(693,179)
	<hr/>	<hr/>
	2,272,323	2,266,325
	<hr/>	<hr/>
Plant and equipment		
<i>At cost</i>	734,910	645,870
<i>Accumulated depreciation</i>	(448,943)	(433,475)
	<hr/>	<hr/>
	285,967	212,395
	<hr/>	<hr/>
Furniture and fittings		
<i>At cost</i>	378,671	378,221
<i>Accumulated depreciation</i>	(301,835)	(259,177)
	<hr/>	<hr/>
	76,836	119,044
	<hr/>	<hr/>
Total property, plant and equipment net book value	2,635,126	2,597,764
	<hr/> <hr/>	<hr/> <hr/>

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2018

5 Property, Plant and Equipment (continued)

	2018 \$	2017 \$
Reconciliations		
Movements in Carrying Amounts		
Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:		
Leasehold Improvements		
Carrying amount at beginning of year	2,266,325	37,190
Additions	201,058	2,225,634
Transfer from work in progress	-	63,074
Amortisation expense	(195,060)	(49,505)
Disposals	-	(10,068)
	<hr/>	<hr/>
Carrying amount at end of year	2,272,323	2,266,325
	<hr/> <hr/>	<hr/> <hr/>
Plant and Equipment		
Carrying amount at beginning of year	212,395	290,669
Additions	147,788	83,371
Depreciation expense	(70,340)	(94,564)
Disposals	(3,876)	(67,381)
	<hr/>	<hr/>
Carrying amount at end of year	285,967	212,395
	<hr/> <hr/>	<hr/> <hr/>
Furniture and fittings		
Carrying amount at beginning of year	119,044	202,819
Additions	450	32,472
Depreciation expense	(42,658)	(58,581)
Disposals	-	(57,666)
	<hr/>	<hr/>
Carrying amount at end of year	76,836	119,044
	<hr/> <hr/>	<hr/> <hr/>
Work in progress		
Carrying amount at beginning of year	-	63,074
Transferred to Land and Improvements	-	(63,074)
	<hr/>	<hr/>
Carrying amount at end of year	-	-
	<hr/> <hr/>	<hr/> <hr/>

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2018

5 Property, Plant and Equipment (continued)

Core Property leased by the Club is:

118-120 Ramsgate Avenue
North Bondi NSW 2026

There were no non-core properties held by the club.

Recognition and Measurement

Property, plant and equipment are stated at historical cost less depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

The depreciable amount of all fixed assets including leasehold improvements is depreciated using the straight line methods to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Leasehold improvements	Period of lease
Plant and equipment	3 to 7 years
Furniture, fittings and equipment	5 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statements of Profit and Loss and Other Comprehensive Income.

Estimation of Useful Lives of Assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2018

	2018 \$	2017 \$
6 Trade and Other Payables		
Trade payables	93,205	220,335
Goods and Services Tax (GST) payable	77,182	90,400
Other payables and accrued expenses	187,010	132,607
	357,397	443,342
	357,397	443,342

Recognition and Measurement

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

7 Employee Benefits

Current	120,657	91,121
	120,657	91,121
Non-current	23,984	18,509
	23,984	18,509
	23,984	18,509

Superannuation Plans

Contributions

The company is under a legal obligation to contribute 9.5% of each employee's base salary to a superannuation fund.

Recognition and Measurement

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables with respect to employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long Service Leave

The provision for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date. The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the market yields on national government bonds at reporting date which most closely match the terms of maturity with the expected timing of cash flows. The unwinding of the discount is treated as long service leave expense.

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

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2018

8 Borrowings

	2018 \$	2017 \$
Current	241,526	314,772
Non-current	611,573	841,379

The borrowing has been secured against the kitchen equipment acquired as part of renovation works undertaken during the year. As part of the agreement the bank has the rights over the assets in the event of a default, with the assets being unable to be sold without prior permission from the bank.

The borrowings balance is made up of a bank loan that was taken out with Westpac Bank. The loan is due to be repaid over a 64-month period at an interest rate of 5.78%. This loan is expected to mature in 2022.

9 Income In Advance

Current	88,500	85,000
Non-current	301,866	233,193

Recognition and Measurement

Income in advance is recognised when the company receives consideration in advance of the provision of the goods or services to which the consideration relates.

Income in advance is measured at the fair value of the consideration received and is amortised to the profit or loss when the company satisfies the performance obligation to which the deferred income is related.

North Bondi RSL Club Limited
Notes to the Financial Statements
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10 Commitments

	2018 \$	2017 \$
Operating Lease Payable Commitments		
Future non-cancellable operating lease rentals of the premises, not provided in the financial statements and payable:		
Within one year	139,113	225,102
One year or later and no later than five years	-	139,113
	139,113	364,215

The Company leases the property located at 118-120 Ramsgate Avenue North Bondi, NSW, 2026. The lease runs for 5 years, ending 8 August 2019. The lease agreement is for a fixed rental adjusted for CPI increases annually.

Recognition and Measurement

Payments made under operating leases are expensed on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

11 Contingent Liabilities

Bank Guarantees

The company has given the following bank guarantee in favour of TAB Limited:

5,000	9,346
5,000	9,346

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2018

12 Key Management Personnel Details

(a) Directors

The following persons were non-executive directors of the company during the financial year:

Name of director	Date of reappointment/appointment / Resignation
Martyn Bell	19 April 2009
John Heapy	22 September 1999
Paul Koerber	6 April 2013
John Ferguson	12 April 2014
Tommy McAuley	27 January 2015
Ken Cross	Commenced 14 th April 2018)
Chris Hirst	Commenced 14 th April 2018
Colin McFarland	Resigned 14 th April 2018
David Dworjanyn	Resigned 14 th April 2018

(b) Key Management Personnel Compensation

	2018 \$	2017 \$
Benefits and payments made to Other Key Management Personnel	668,255	606,449

The increase in benefits and payments made to key management personnel relates to increased permanent employees needs, subsequent to the renovation.

13 Related Parties

Key Management Personnel

Disclosures relating to key management personnel are set out in Note 12.

Directors' 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.

Apart from the details disclosed in this note, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

14 Company Details

The Club is incorporated and domiciled in Australia as a company limited by guarantee. At 31 December 2018 there were 9,232 members.

The registered office of the company is 118-120 Ramsgate Avenue, North Bondi NSW 2026.

15 Events Subsequent to Reporting Date

There are no matters or circumstances that have arisen since the end of the financial year that have 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.

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2018

15 Summary of Other Significant Accounting Policies

(a) 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 Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the Statement of Financial Position.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office.

(b) Impairment of Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(c) Cash and Cash Equivalent

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(d) Trade Receivables

Trade debtors and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

(e) Inventories

Recognition and Measurement

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs.

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2018

15 Summary of Significant Accounting Policies (continued)

(f) Financial Assets

Recognition and Measurement

The company classifies its financial assets as held-to-maturity investments. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the company has the positive intent and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

(g) Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.