

KOGARAH R.S.L. CLUB LIMITED

The Directors of Kogarah R.S.L. Club Limited submit herewith the accounts of the Club for the year ended 30 June 2015 and reports as follows:-

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

Director	Occupation	Board Experience
John William Samuel	Administration	32 years
Warwick Selwyn Hall (Resigned 26.8.15)	Qantas Hospitality	19 years
Michael Webster (Resigned 29.8.14)	Finance Executive	3 years 2 months
Bret William Shanahan (Resigned 4.8.15)	Landscaper	12 years
Brian Brown	Maintenance contractor	9 years
Ken Rawson	Retired	1 year 3 months
Russell Osmond	Retired	1 year 3 months
Barry Clewett (appointed 28.8.15)	Retired	15 years

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

SPECIAL RESPONSIBILITIES

Mr Samuel is the President and Mr Brown the Senior Vice Person. Mr Osmond is part of the Finance Committee and Mr Brown is part of the Building Maintenance Committee. Mr Hall up until his resignation was the Junior Vice President and part of the Finance Committee and Mr Shanahan up until his resignation was part of the Building Maintenance Committee.

COMPANY SECRETARY

The management team comprises of Grant Amer, Noel Buckley, Paul Cameron and Leanne Smith who deal with the day to day operations. Grant Amer is the Club Manager, licensee and company secretary.

DIVIDENDS

The Club is limited by guarantee and is prevented by its constitution from paying dividends.

CORPORATE INFORMATION

Kogarah RSL Club Limited is a company limited by guarantee that is incorporated and domiciled in Australia.

The registered office is c/- Frank Clune & Son, Level 7, 60 Carrington Street, Sydney and the principal place of business is 254 Railway Parade, Kogarah.

MEMBERSHIP

The Club is a company limited by guarantee and without share capital. The number of members as at 30 June 2015 and the comparison with last year is as follows:

	2015	2014
Ordinary Members	6,629	5,523
Honorary Life Members	8	8
Veteran Members	77	100
	6,714	5,631

In accordance with the Company's constitution, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of winding up the company during the time that they are member or within one year thereafter.

SHORT TERM OBJECTIVES

The short term objectives of the Club are to position the services offer by the Club to be effective in meeting the needs of its members and the community within the context of a competitive marketplace.

LONG TERM OBJECTIVES

The long term objectives of the Club are to provide the right infrastructure necessary to effectively meet the short term objectives and to provide a commercial result that ensures the longevity of its operations.

STRATEGY

In order to meet the short and long term objectives stated above the Club will continue to manage the potential risk to the organisation from legislative changes and continuously assess the performance of its assets to maximise the ability of the Club to meet its objectives.

PRINCIPAL ACTIVITIES

The principal activities of the Club during the course of the financial year consisted of the conduct and promotion of a licensed social club for its members. There have been no significant changes in the nature of these activities during the year.

PERFORMANCE MEASUREMENT

The Club uses Club Data Online system to measure its performance within industry participants to ensure services offered are contemporary and appropriate. The Club will continue to evaluate and assess the effectiveness of its commercial operations and assess its financial performance consistently. A finance committee has been elected by the board and meets monthly to review the financial operating results for the month.

REVIEW AND RESULTS OF OPERATIONS

The operating loss for the year ended 30 June 2015 was \$394,539, compared to a \$163,255 profit after tax for the 2014 year. This resulted after charging \$245,512 (2014: \$204,098) for depreciation/amortisation. Net revenue from poker machine trading amounted to \$2,333,402 (2014: \$1,858,854). Total expenditure on Club Grants for the year ending 31 August 2015 inclusive of In-Kind donations is \$57,700 to community development and support as required under Part 4 of the Gaming Machine Tax Act 2001.

GOING CONCERN

It is noted that current liabilities exceed current assets. Whilst the extent of current liabilities is impacted by payment timing issues, the Board is confident the Club can meet its liabilities as and when they fall due.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There have been no significant events after the balance date which may affect either the Club's operations or results of those operations or the Club's state of affairs.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

On 16 November 2014, the Club entered a Development Agreement with Bluestone Capital Ventures No 2 Pty. Limited (BCV) whereby the club shall vacate and make available the Club land to BCV for the construction and development of 120 residential lots and a new club premises.

BCV has prepared and lodged the proposed property development application (DA) with the Kogarah Council. At the date of signing of this report, approval for this development has not been granted.

DIRECTORS' MEETINGS

The number of directors' meetings and number of meetings attended by each of the directors of the Club during the financial year are:

Director	Attendance	No. Eligible to attend
John William Samuel	16	16
Warwick Selwyn Hall (Resigned 26.8.15)	16	16
Michael Webster (Resigned 29.8.14)	4	4
Bret William Shanahan (Resigned 4.8.15)	13	16
Brian Brown	16	16
Russell Osmond	14	16
Ken Rawson	13	16

In addition to the above, the Directors attended a considerable number of sub-committee and special board meetings.

RELATED PARTY DISCLOSURES

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the financial statements, or the fixed salary of a full-time employee of the Club or a related corporation), by reason of a contract made by the Club or a related corporation with the Director or with a firm of which he is a member, or with a Club in which he has a substantial financial interest. This statement excludes a benefit included in the aggregate amounts of emoluments received or due and receivable by Directors shown in Note 8 to the Club's financial statements prepared in accordance with the Corporations Law.

AUDITOR INDEPENDENCE

The auditor's independence declaration is included in this annual report.

NON AUDIT SERVICES

The following non-audit services were provided by the Club's auditor, Frank Clune & Son. The directors are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Frank Clune & Son received or are due to receive the following amounts for the provision of non-audit services:

Tax advice, compliance services and preparation of financial statements \$22,150.

Signed in accordance with the resolution of the Board of Directors.

JOHN W. SAMUEL
Chairman

BARRY CLEWETT
Director

KOGARAH R.S.L. CLUB LIMITED
A.B.N. 75 001 032 355

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF KOGARAH RSL CLUB
LIMITED**

I declare that, to the best of my knowledge and belief, during the year 30 June 2015 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

FRANK CLUNE & SON

Frank Catanzariti
Partner

Date 30 September 2015

Level 7
60 Carrington Street
SYDNEY NSW 2000

KOGARAH R.S.L. CLUB LIMITED
A.B.N. 75 001 032 355

DIRECTORS DECLARATION

In accordance with a resolution of the directors of Kogarah RSL Club Limited, the directors declare that:-

1. The financial statements and notes forming part of the financial statements are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Club.
2. In the directors' opinion, 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.

JOHN W. SAMUEL
Chairman

BARRY CLEWETT
Director

Dated at Kogarah this 14 September 2015

**INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF THE KOGARAH R.S.L CLUB LIMITED
A.B.N. 75 001 032 355**

Report on the Financial Report

We have audited the accompanying financial report of the Kogarah RSL Club Limited, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Club are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 if free from material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Kogarah RSL Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

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

- (a) giving a true and fair view of the Club's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

FRANK CLUNE & SON
Chartered Accountants
Level 7, 60 Carrington Street
Sydney NSW 2000

Frank Catanzariti
Partner

Date this 30 day of September 2015

KOGARAH R.S.L. CLUB LIMITED
A.B.N. 75 001 032 355

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	30 June 2015 \$	30 June 2014 \$
Revenues from ordinary activities	3 (a)	3,069,611	3,015,613
Other Revenue	3 (b)	391,311	1,087,005
		<u>3,460,922</u>	<u>4,102,618</u>
Cost of sales	4 (a)	272,391	307,535
Depreciation and Amortisation		245,512	204,098
Finance costs	5	87,827	66,332
Impairment		-	30,381
Promotions & Entertainment		295,969	306,022
Occupancy		286,229	296,267
Administration and general expenses		2,667,534	2,706,786
Expenses from ordinary activities		<u>3,855,461</u>	<u>3,917,421</u>
Profit/(Loss) from ordinary activities before income tax expense		(394,539)	185,197
(Income tax expense)/benefit relating to ordinary activities	6 (c)	-	(21,943)
Profits (loss) from ordinary activities after (income tax expense)/benefit		<u>(394,539)</u>	<u>163,255</u>
Other Comprehensive Income			
Gain on valuation of Poker Machines Entitlements	20 (a)	-	715,000
Total Other Comprehensive Income for the year		-	715,000
Total Comprehensive Income for the year		<u>(394,539)</u>	<u>900,197</u>
Total Profit/(Loss) attributable to members		<u>(394,539)</u>	<u>163,255</u>
Total Comprehensive Income attributable to members		<u>(394,539)</u>	<u>900,197</u>

The accompanying notes form part of these financial statements

KOGARAH R.S.L. CLUB LIMITED
A.B.N. 75 001 032 355

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	30 June 2015 \$	30 June 2014 \$
Assets			
Current assets			
Cash and cash equivalents	9	111,565	298,851
Trade or other receivables	10	8,494	13,131
Inventories	11	29,283	31,464
Other	12	11,809	1,721
Total current assets		161,151	345,167
Non-current assets			
Property, plant and equipment	13	11,491,753	11,496,216
Intangibles	14	715,000	715,000
Total non-current assets		12,206,753	12,211,216
Total assets		12,367,904	12,556,383
Liabilities			
Current liabilities			
Trade and other payables	15	507,172	535,894
Borrowings	16	1,314,205	1,000,000
Provisions	17	170,848	150,443
Current tax liabilities	18	16,943	21,943
Other current liabilities	19	56,666	79,950
Total current liabilities		2,065,834	1,788,229
Non-current liabilities			
Provisions	17	32,318	50,363
Other non current liabilities	19	873,489	926,989
Total non-current liabilities		905,807	977,352
Total liabilities		2,971,642	2,765,581
Net assets		9,396,263	9,790,802
Equity			
Reserves	20	6,384,665	6,384,665
Retained profits		3,011,598	3,406,137
Total equity		9,396,263	9,790,802

The accompanying notes form part of these financial statements

KOGARAH R.S.L. CLUB LIMITED
A.B.N. 75 001 032 355

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	General Reserves	Revaluation Surplus	Retained Earnings	Total
	\$	\$	\$	\$
Balance 1 July 2013	72,777	5,596,888	3,242,882	8,912,547
Attributable to members				
- Profit (loss)	-	-	163,255	163,255
- Other comprehensive income	-	715,000	-	715,000
Balance 30 June 2014	<u>72,777</u>	<u>6,311,888</u>	<u>3,406,137</u>	<u>9,790,802</u>
Attributable to members				
- Profit (loss)	-	-	(394,539)	(394,539)
- Other comprehensive income	-	-	-	-
Balance 30 June 2015	<u><u>72,777</u></u>	<u><u>6,311,888</u></u>	<u><u>3,011,598</u></u>	<u><u>9,396,263</u></u>

KOGARAH R.S.L. CLUB LIMITED
A.B.N. 75 001 032 355

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	30 June 2015 \$	30 June 2014 \$
	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities		
Receipts from members and guests	3,211,054	3,036,547
Payments to suppliers and employees	(3,633,173)	(3,455,790)
Interest received	1,497	233
Rent received	96,184	109,881
Parental Leave	-	11,198
Reimbursement from insurance claim	46,854	-
Renovation and Financial Assistance Contribution	73,605	435,000
Income taxes (paid) refund	(5,000)	-
Finance costs	(87,827)	(66,332)
Net cash provided by operating activities	22(a)	70,736
	<u>(296,807)</u>	<u>70,736</u>
Cash flows from investing activities		
Payments for plant, equipment & refurbishment	(241,049)	(790,206)
Proceeds from release of right of way	36,364	363,636
Proceeds from sale of plant & equipment	-	450,000
Net cash flows from investing activities	<u>(204,685)</u>	<u>23,430</u>
Cash flows from financing activities		
Proceeds from Borrowings	-	150,000
Net cash provided by (used in) financial activities	<u>-</u>	<u>150,000</u>
Net increase/(decrease) in cash held	(501,492)	244,166
Cash at start of the financial year	298,851	54,685
Cash at close of the financial year	22(b)	298,851
	<u>(202,641)</u>	<u>298,851</u>

The accompanying notes form part of these financial statements

KOGARAH R.S.L. CLUB LIMITED
A.B.N. 75 001 032 355

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1. Corporate Information

The financial report of Kogarah RSL Club Limited for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of directors, dated 14 September 2015. Kogarah RSL Club Limited is a company limited by guarantee ('the Company') that is incorporated and domiciled in Australia. In accordance with the Company's constitution, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of winding up of the company during the time that they are a member or within one year thereafter. As at 30 June 2015 there were 6,741 members.

The registered office of the company is located at:
C/- Frank Clune & Son, Level 7, 60 Carrington Street, Sydney NSW 2000.

2. Summary of Significant Accounting Policies

a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and the Gaming Machine Tax Act 2001. The financial report has also been prepared on a historical cost basis and except where stated, does not take into account changing money values or fair values of non-current assets.

The financial report is represented in Australian Dollars(\$).

b) Going concern

It is noted that current liabilities exceed current assets. Whilst the extent of current liabilities is impacted by payment timing issues, the Board is confident the Club can meet its liabilities as and when they fall due.

The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts or classification of liabilities that might be necessary should the entity not be able to continue as a going concern.

c) Revenue

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

Following are additional recognition criteria:

Sales Revenue: Sales revenue comprises revenue earned from the Club's trading activities, including poker machine takings and bar sales. It is recognised when goods and services are provided.

Subscriptions: Subscription fees are taken into account on a cash basis, and the portion relating to the ensuing year is transferred to subscriptions in advance.

Interest Income: Interest income is recognised as it accrues.

Commission Revenue: Commission revenue is recognised when control of a right to receive consideration for the provision of services has been attained.

Poker Machine Revenue: Poker Machine revenue is recognised net of payouts.

Rent Revenue: Rent revenue is recognised on a straight line basis over a period of the lease term. All revenue is stated net of the amount of goods and services tax (GST).

d) Inventories

Inventories are valued at the lower of cost and net realisable value.

KOGARAH R.S.L. CLUB LIMITED

A.B.N. 75 001 032 355

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

2. Summary of Significant Accounting Policies (continued)

e) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits, plus related on costs.

f) Income Tax

Income Tax has been brought to account using the 'tax payable' basis.

Deferred tax assets arising from deductible temporary differences and unused tax losses have not been recognised to the extent that it is not probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised.

g) Property, Plant and Equipment

Land is valued at market value whilst buildings, plant and equipment are included at cost. All assets excluding freehold land, are measured on a cost basis less depreciation and impairment losses.

The carrying amount of buildings, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

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 group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalue carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

h) 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 the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to the ATO is included as a current asset (Receivables) or current liability (Account payables) in the Statement of Financial Position.

i) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

KOGARAH R.S.L. CLUB LIMITED

A.B.N. 75 001 032 355

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

2. Summary of Significant Accounting Policies (continued)

j) Cash and Cash Equivalents

Cash and Cash Equivalents include cash on hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

k) Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated over their useful lives to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Buildings	40 years
Plant and equipment	3-13 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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 the carrying amount. These gains or losses are included in the income statement. When revalue assets are sold, amounts included in the revaluation reserve relating to the asset are transferred to retained earnings.

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of plant and equipment is the higher of fair value less cost to sell and value in use. In assessing value in use, 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 risk specific to the asset. For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value. An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

KOGARAH R.S.L. CLUB LIMITED
A.B.N. 75 001 032 355

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

2. Summary of Significant Accounting Policies (continued)

l) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

m) Intangible Assets

Poker Machine Entitlements

Poker machine entitlements are not amortised. Instead, poker machine entitlements are tested for impairment annual or more frequently if events or changes in circumstances indicate that it might be impaired.

n) Trade and other payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Club prior to the end of the financial year that are unpaid and arise when the Club becomes obliged to make future payments in respect to of the purchase of these goods and services.

	30 June 2015 \$	30 June 2014 \$
3. Revenue		
(a) Revenue from ordinary activities		
Bar sales	673,454	735,385
Poker machine trading	2,333,402	1,858,854
Keno commission	29,976	41,612
Tab commission	32,779	17,822
Profit on sale of poker machines	-	361,940
	3,069,611	3,015,613
(b) Other revenue:		
Interest	1,497	233
Rent received	96,184	109,881
Members subscriptions	12,607	13,943
Sundry revenue	82,391	133,056
Other commission	14,516	15,891
Parental leave received	-	11,198
Prepaid volume rebate	27,293	4,167
Reimbursement from insurance claim	46,854	-
Renovation and financial assistance contribution	73,605	435,000
Release of right of way	36,364	363,636
	391,311	1,087,005
Total revenue	3,460,922	4,102,618

KOGARAH R.S.L. CLUB LIMITED**A.B.N. 75 001 032 355****NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2015

	30 June 2015 \$	30 June 2014 \$
4. Expenses from ordinary activities		
(a) <u>Cost of goods sold</u>		
Bar trading	272,391	307,535
(b) <u>Trading Expenses</u>		
Bar trading	357,081	311,115
Poker machine, Tab and Keno trading	1,355,565	1,053,167
	<u>1,712,646</u>	<u>1,364,282</u>
5. Finance costs		
Commercial Loan Interest	60,314	53,892
Interest on Hire Purchase of Poker Machines	220	763
Interest on Hire Purchase Other	3,186	3,307
Interest - Other	2,669	3,630
Bank Facility Fees	3,800	1,183
Bank Interest on Overdraft	17,638	3,556
	<u>87,827</u>	<u>66,332</u>

6. Income Tax

- (a) Under the income tax convention known as 'mutuality' Registered Clubs are not taxed on subscriptions or trading profits derived from members. However, profits from operations derived from visitors to the Club including guests of members are subject to income tax. Further, income of the Club from outside sources (for example interest on investments) are taxed at normal company rates.

25.08% of trading results are treated as applicable to visitors to the club. Certain items of income (e.g. subscriptions are treated as wholly derived from members).

	Accounting Income (loss) \$	Taxable Income (loss) \$
(b) Net income (loss) not taxable	(103,105)	-
Income Taxable in full	73,015	61,881
Income Taxable as to 25.08%	(364,449)	(90,813)
Prior year losses recouped this year	-	-
	<u>(394,539)</u>	<u>(28,932)</u>
Income tax at 30%		-
(c) Income Tax charged in the profit and loss account comprises:-		
Income tax expense for the year	-	21,943
	-	<u>21,943</u>
(d) Income Tax payable (refund) comprises:-		
Current year taxes	-	21,943

KOGARAH R.S.L. CLUB LIMITED**A.B.N. 75 001 032 355****NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2015

	30 June 2015 \$	30 June 2014 \$
e) Deferred tax assets not taken to account		
As stated in Note 1, income tax is brought to account on a 'tax payable' basis. Accordingly, deferred tax assets arising from timing differences have not been brought to account. The estimated deferred tax assets has been calculated at 30%.		
Timing Differences as to 25.08%	(3,163)	7,388
	<u>(3,163)</u>	<u>7,388</u>
7. Remuneration of Auditors		
Total amounts received and receivable by the auditors of the company for:		
a) Audit of the company's accounts	16,000	15,000
b) Other services	22,150	20,091
	<u>38,150</u>	<u>35,091</u>
8. Directors' Emoluments		
Amounts received, or due and receivable by directors of Kogarah R.S.L. Club. The directors did not receive any other remuneration from the company.	6,000	6,000
	<u>6,000</u>	<u>6,000</u>
The number of directors whose income was within the following bands:	No.	No.
\$ 100 - 1,000	-	-
\$1,001 - 2,000	-	-
\$2,001 - 3,000	-	-
\$3,001 - 4,000	1	1
9. Cash and Cash Equivalents		
Current		
Cash on Hand	65,000	65,000
Cash at Bank	46,565	233,851
	<u>111,565</u>	<u>298,851</u>
10. Receivables		
Current		
Sundry Receivable	8,494	13,131
	<u>8,494</u>	<u>13,131</u>

No provision for impairment of receivables has been made in either of the years 2015 or 2014 due to the short term nature of these.

KOGARAH R.S.L. CLUB LIMITED**A.B.N. 75 001 032 355****NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2015

	30 June 2015 \$	30 June 2014 \$
11. Inventories		
Current		
Stock on hand		
Bar	24,444	26,625
Glassware	4,839	4,839
	<u>29,283</u>	<u>31,464</u>
12. Other		
Current		
Prepayments	11,809	1,721
	<u>11,809</u>	<u>1,721</u>
13. Property, Plant and Equipment		
(a) Land		
(i) Land as per Independent Valuation 2013		
Railway Parade Kogarah	6,175,000	6,175,000
Blake Street Kogarah	1,725,000	1,725,000
	<u>7,900,000</u>	<u>7,900,000</u>
(ii) Land at cost		
English Street car park	280,381	280,381
Less: Impairment	(30,381)	(30,381)
	<u>250,000</u>	<u>250,000</u>
Total Land	<u>8,150,000</u>	<u>8,150,000</u>
(b) Buildings		
(i) Buildings - at cost		
Buildings	4,064,292	3,946,602
Less: Accumulated depreciation	(1,132,398)	(1,005,414)
Total Buildings	<u>2,931,894</u>	<u>2,941,188</u>
(c) Plant, Furniture and Equipment		
Plant, Furniture and Equipment at cost	1,345,603	1,225,840
Less: Accumulated depreciation	(935,744)	(820,812)
Total Plant, Furniture and Equipment	<u>409,859</u>	<u>405,028</u>
Total Property, Plant and Equipment	<u>11,491,753</u>	<u>11,496,216</u>

KOGARAH R.S.L. CLUB LIMITED
A.B.N. 75 001 032 355

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

13. Property, Plant and Equipment (cont'd)

	Freehold Land \$	Buildings \$	Plant & Equipment \$	Total \$
f) Movements in Carrying Amounts				
Movement in the carrying amounts for each class or property, plant and equipment				
Balance at 1 July 2013	7,900,000	2,923,099	382,494	11,205,593
Additions	280,381	116,116	393,709	790,206
Revaluation	-	-	-	-
Disposals	-	-	(265,104)	(265,104)
Residual	-	-	-	-
Impairment	(30,381)	-	-	(30,381)
Depreciation	-	(98,028)	(106,070)	(204,098)
Carrying amount at 30 June 2014	<u>8,150,000</u>	<u>2,941,187</u>	<u>405,029</u>	<u>11,496,216</u>
Additions	-	117,690	123,359	241,049
Disposals	-	-	-	-
Residual	-	-	-	-
Impairment	-	-	-	-
Depreciation	-	(126,983)	(118,529)	(245,512)
Carrying amount at 30 June 2015	<u>8,150,000</u>	<u>2,931,894</u>	<u>409,859</u>	<u>11,491,753</u>

g) Historical cost

	30 June 2015 \$	30 June 2014 \$
--	-----------------------	-----------------------

If land were stated at historical cost, amounts would be as follows:

Cost

250-254 Railway Parade, Kogarah	1,636,742	1,636,742
1-5 Blake Street, Kogarah	640,333	640,333
English Street Driveway (net of impairment)	250,000	250,000
English Street Car Park	53,797	53,797
Accumulated depreciation	(30,274)	(29,017)
Net book value	<u>2,550,598</u>	<u>2,551,855</u>

h) Asset revaluations

Freehold Land

On the 6 September 2012, the freehold land held by the Club was valued by independent valuers, Brett, Nelson and Associates Consultant Valuers. The fair value of the freehold land based on its fair value in an active market was determined to be \$7,900,000.

KOGARAH R.S.L. CLUB LIMITED**A.B.N. 75 001 032 355****NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2015

	30 June 2015 \$	30 June 2014 \$
14. Intangible Assets		
Poker machines entitlements at directors valuation	<u>715,000</u>	<u>715,000</u>
<p>At 30 June 2014, the directors performed a directors valuation of the gaming entitlements. The directors believe the carrying amount of the gaming entitlements is not in excess of its recoverable amount.</p>		
15. Trade and Other Payables		
Current		
Trade and other payables	465,722	499,723
GST payable	41,450	36,171
	<u>507,172</u>	<u>535,894</u>
<p>Trade and other payables are non interest bearing and normally settled on 30-60 day terms. Due to the short term nature of these payables, their carrying amount is assumed to approximate their fair value.</p>		
16. Borrowings		
Current		
Bank Overdraft Secured	(7.4) 314,205	-
Flexible rate loan facility	(7.4) <u>1,000,000</u>	<u>1,000,000</u>
	<u>1,314,205</u>	<u>1,000,000</u>
<p>The bank overdraft and the loan facilities are secured by a registered first mortgage over the properties 254 - 260 Railway Parade as well as a floating and a fixed charge over the assets of Kogarah RSL Club Limited. The flexible rate loan facility is a 153 day facility and is expected to be continually rolled over for the next 12 months.</p>		
17. Provisions		
Current		
Provision for personal leave	59,717	53,264
Provision for annual leave	111,131	97,179
	<u>170,848</u>	<u>150,443</u>
Non Current		
Provision for long service leave	<u>32,318</u>	<u>50,363</u>
18. Tax		
Provision for income tax	<u>16,943</u>	<u>21,943</u>
19. Other		
Current		
Bonus point system	3,166	5,617
Prepaid volume rebate	-	20,833
Rent received in advance	53,500	53,500
	<u>56,666</u>	<u>79,950</u>

KOGARAH R.S.L. CLUB LIMITED
A.B.N. 75 001 032 355

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	<u>30 June 2015 \$</u>	<u>30 June 2014 \$</u>
Non Current		
Rent received in advance	<u>873,489</u>	<u>926,989</u>
20. Equity		
Reserves		
(a) Revaluation Surplus		
The revaluation surplus records revaluation of non-current assets.		
Revaluation Surplus		
Revaluation of land - 2013		
250-254 Railway Parade Kogarah	4,512,221	4,512,221
1-5 Blake Street Kogarah	1,084,667	1,084,667
Poker machine entitlements valuation	<u>715,000</u>	<u>715,000</u>
	<u>6,311,888</u>	<u>6,311,888</u>
(b) Asset Realisation Reserve		
The asset surplus reserve records realised gains on sale of non-current assets.		
Asset Realisation Reserve	<u>72,777</u>	<u>72,777</u>
Total Reserves	<u>6,384,665</u>	<u>6,384,665</u>
21. Capital, Leasing and Gaming Service Commitment		
(a) Operating Lease		
Future minimum rentals payable under non-cancellable leases as at 30 June 2015 are as follows:		
Within < 1 year	14,316	12,840
Within 1 - 2 years	14,316	9,816
Within 2 - 5 years	<u>18,716</u>	<u>19,632</u>
	<u>47,348</u>	<u>42,288</u>
(b) Gaming Machine Service Commitment Payable		
Within < 1 year	664,300	664,300
Within 1 - 5 years	1,823,640	2,487,940
Within 5 years and over	<u>-</u>	<u>-</u>
	<u>2,487,940</u>	<u>3,152,240</u>

During the 2013/14 financial year the Club entered into a 36 month arrangement with Tabcorp Gaming Solutions (TGS), whereby TGS purchased the existing devices and leased back 65 new gaming machines.

KOGARAH R.S.L. CLUB LIMITED**A.B.N. 75 001 032 355****NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2015

	30 June 2015 \$	30 June 2014 \$
22. (a) Reconciliation of Cash Flow from Operations with Operating Profit after Income Tax		
Operating Profit (loss) after income tax	(394,539)	163,255
Non-cash flows in operating profit from ordinary activities		
Depreciation & amortisation	245,512	204,098
Impairment of driveway	-	30,381
Net gain on disposal of assets	-	(184,896)
Net gain from release of driveway	(36,364)	(363,636)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade receivables	4,636	38,773
(Increase)/decrease in inventory	2,181	3,001
(Increase)/decrease in prepayments	(10,088)	5,731
Increase/(decrease) in trade payables	(28,722)	149,583
Increase/(decrease) in income taxes payable	(5,000)	21,943
Increase/(decrease) in other liabilities	(23,283)	21,982
Increase/(decrease) in non current liabilities	(53,500)	(53,500)
Increase/(decrease) in employee provisions	2,360	34,023
	<u>(296,807)</u>	<u>70,736</u>
(b) Reconciliation of Cash		
Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the balance sheet as follows:-		
Cash on hand	65,000	65,000
Cash at bank	46,565	233,851
Bank overdrafts - secured	(314,206)	-
	<u>(202,641)</u>	<u>298,851</u>

(c) Credit Stand-by Arrangement and Loan Facilities

The company has a bank overdraft, bank guarantees, loan and business cards facilities amounting to \$1,587,105 (2014 - \$1,387,105).
At the 30 June, \$1,351,310 of these facilities were used.

(d) Cash flows presented on a net basis

Cash flows arising from poker machines, Keno and Tab trading are presented on a net basis in the statement of cash flows.

KOGARAH R.S.L. CLUB LIMITED

A.B.N. 75 001 032 355

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

23. Financial reporting by segment

The entity operates predominately in one industry only, with the principal activity being that of a of a licensed Club.

The Club operates in one geographic area only, being Kogarah of New South Wales.

The Club derived income mainly from the following activities:

- Providing poker machines for members and guests;
- Acting as an agent for providing Keno and Tab to members and guests; and
- Providing beverages through its bars.

24. Contingent Liabilities

Bank Guarantees

The club has given total bank guarantees of \$37,105.

25. Subsequent events

None

26. Financial Risk Management

The Club's financial instruments consist mainly of deposits with banks, accounts receivable and payable, bank overdrafts, loan facility and leases.

The totals for each category of financial instruments are as follows:

	Note	30 June 2015 \$	30 June 2014 \$
Financial assets			
Cash and cash equivalents	9	111,565	298,851
Loans and receivables	10	8,494	13,131
		<u>120,059</u>	<u>311,982</u>
Financial liabilities			
Financial liabilities at amortised cost:			
- trade and other payables	15	507,172	535,894
- borrowings	16	1,314,205	1,000,000
- rent received in advance	19	926,989	980,489
		<u>2,748,366</u>	<u>2,516,383</u>
Net exposure		<u>(2,628,307)</u>	<u>(2,204,402)</u>

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the Club in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies include the review of credit risk policies and future cash flow requirements.

KOGARAH R.S.L. CLUB LIMITED

A.B.N. 75 001 032 355

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

26. Financial Risk Management (continued)

Specific Financial Risk Exposures and Management

The main risks the club is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

a. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Club is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mix of fixed and floating rate debt.

The net effective variable interest rate borrowings exposes the Club to interest rate risk which will impact future cash flows and interest charges and is indicated by the following floating interest rate financial liabilities:

	Note	30 June 2015 \$	30 June 2014 \$
Floating rate instruments			
Bank overdrafts	16	314,205	-

b. Foreign exchange risk

The Club is not exposed to fluctuations in foreign currencies.

c. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Club.

The majority of the Club revenue is on a cash basis. For credit issued, credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Customers that do not meet the Club's strict credit policies may only purchase in cash or using recognised credit cards.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet.

Trade and other receivables that are neither past due or impaired are considered to be a high credit quality. Aggregates of such amounts are as detailed at Note 10.

Credit risk related to balance with banks and other financial institutions is managed by management in accordance with approved Board policy.

KOGARAH R.S.L. CLUB LIMITED

A.B.N. 75 001 032 355

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

26. Financial Risk Management (continued)

d. Liquidity risk

Liquidity risk arises from the possibility that the Club might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Club manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operational and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets; and
- only investing surplus cash with major financial institutions.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Bank overdraft and loan facility have been deducted in the analysis as management does not consider that there is any material risk that the bank will terminate such facilities.

The bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts and loan facilities outstanding at year end could become repayable within 12 months. Financial guarantee liabilities are treated as payable on demand since the Club has no control.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will roll forward.

KOGARAH R.S.L. CLUB LIMITED
A.B.N. 75 001 032 355

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

e. Net Fair Values

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transactions.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Club. Most of these instruments which are carried at amortised cost (i.e. term receivables, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the Club.

		2015		2014	
	Note	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial assets					
Cash and cash equivalents	(i)	111,565	111,565	298,851	298,851
Trade and other receivables	(i)	8,494	8,494	13,131	13,131
Total financial assets		120,059	120,059	311,981	311,981
Financial liabilities					
Trade and other payables	(i)	507,172	507,172	535,894	535,894
Bank bills	(ii)	-	-	-	-
Flexible rate loan facility		1,000,000	1,000,000	1,000,000	1,000,000
Hire purchase liabilities	(iii)	-	-	-	-
Bank overdraft		314,205	314,205	-	-
Rent received in advance		926,989	926,989	980,489	980,489
Total financial liabilities		2,748,366	2,748,366	2,516,383	2,516,383
Net maturity		(2,628,307)	(2,628,307)	(2,204,402)	(2,204,402)

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for relating to annual leave which is not considered a financial instrument.
- (ii) Discounted cash flow models are used that incorporate a yield curve appropriate to the remaining maturity of the debenture, bill or promissory note.
- (iii) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair value of fixed rate bank debt may differ to carrying values.

KOGARAH R.S.L. CLUB LIMITED

A.B.N. 75 001 032 355

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

27. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experiences and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial position reported in future periods.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

(i) Significant accounting judgements

Poker Machine Licences

The entity holds poker machines licences granted for no consideration by the NSW government. AIFRS requires that licences outside of a pre AIFRS transition business combination be recognised initially at its fair value as at the date it was granted with a corresponding adjustment to profit and loss to recognise the grant immediately as income. Until new gaming legislation taking effect in April 2002 allowing poker machine licences to be traded for the first time, the entity has determined that fair value at grant date for licences granted pre April 2002 to be zero. Licences granted to the entity post April 2002 are initially recognised at fair value.

Impairment of non-financial assets

The Club assesses impairment of all assets at each reporting date by evaluating conditions specific to the Club and to particular asset that may lead to impairment. These include product and manufacturing performances, technology, economic and political environments and future product expectations. If an impairment trigger exist the recoverable amount of the asset is determined. Management do not consider that the triggers for impairment testing have been significant enough and as such these assets have not been tested from impairment in this financial period.

Taxation

The Club's accounting policy for taxation requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from unrecouped tax losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

KOGARAH R.S.L. CLUB LIMITED

A.B.N. 75 001 032 355

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

(ii) Significant accounting estimates and assumptions

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future business expectations, operating costs, capital expenditure and other capital management transactions. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the income statement.

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment), lease terms (for leased equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Depreciation charges are included in note 13.

Long service leave provision

As discussed in note 2, 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 of all employees at reporting date. In determining the present value of the liability, attrition rates and pay increase through promotion and inflation have been taken into account.

28. Related Party Disclosures

a. Directors

The Club's directors in office during the financial year and until the date of this report are as follows:

John William Samuel	Brian Brown
Warwick Selwyn Hall (resigned 26.8.15)	Ken Rawson
Michael Webster (resigned 29.8.14)	Russell Osmond
Bret William Shanahan (resigned 4.8.15)	Barry Clewett (appointed 28.8.15)

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

b. Directors' transactions with the Club

From time to time directors of the Club may purchase goods from the Club or participate in other Club activities. These purchases and participation are on the same terms and conditions as those entered into by any other member of the Club.

Details relating to key management personnel, including remuneration paid, are included in Note 30.

KOGARAH R.S.L. CLUB LIMITED

A.B.N. 75 001 032 355

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

c. Key Management Personnel

The total of remunerations paid to key personnel of Kogarah RSL Club during the year are as follows:

	30 June 2015	30 June 2014
	\$	\$
Compensation of key management personnel		
Short-term employee benefits	106,668	98,931
Post-employment benefits	10,002	9,028
Termination benefits	39,185	41,687
	<u>155,855</u>	<u>149,646</u>

29. Events after Balance Date

There have been no significant events occurring after balance date which may affect either the Club's operations or results of those operations or the Club's state of affairs.

**ADDITIONAL FINANCIAL
INFORMATION**

The additional financial information, being the attached Supplementary Information to the Financial Statements, has been compiled by the management of Kogarah RSL Club Limited.

No audit or review has been performed by us and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than Kogarah RSL Club Limited may suffer arising from any negligence on our part. No person should rely on the additional financial information without having an audit or review conducted.

**Frank Clune & Son
Sydney**

Date:

KOGARAH R.S.L. CLUB LIMITED
A.B.N. 75 001 032 355

SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	30 June 2015 \$	30 June 2014 \$
Bar Sales	673,454	735,384
	<u>673,454</u>	<u>735,384</u>
<u>Less: Cost of Sales</u>		
Opening stock	26,625	29,626
Purchases	275,049	304,533
	<u>301,674</u>	<u>334,159</u>
Less: Closing stock	29,283	26,625
	<u>272,391</u>	<u>307,535</u>
Gross Profit	<u>401,063</u>	<u>427,850</u>
Gross Percentage	59.55%	58.18%
 Poker machine, TAB and Keno		
Tab commission	32,779	17,822
Keno commission	29,976	41,612
Poker machine revenue	2,333,402	1,858,854
Profit on sale of disposal of poker machines	-	361,940
	<u>2,396,157</u>	<u>2,280,229</u>
 Other Income		
Rent received	96,184	109,881
Members subscriptions	12,607	13,943
Interest received	1,497	233
Commission received	14,516	15,891
Hire of rooms	8,623	36,201
Sundry revenue	73,768	96,855
Parental leave received	-	11,198
Prepaid volume rebate	27,293	4,167
Reimbursement from insurance claim	46,854	-
Renovation and financial assistance contribution	73,605	435,000
Release of right of way	36,364	363,636
	<u>391,312</u>	<u>1,087,005</u>
 <u>Less: Bar Expenses</u>		
Bar stocktake	-	-
Bar expenses & requisites	25,213	23,906
Depreciation bar	2,610	3,043
Glassware replacements	-	256
Payroll tax	5,289	4,718
Repairs and Maintenance	-	436
Superannuation	26,714	22,779
Wages	297,255	255,977
	<u>357,081</u>	<u>311,115</u>

KOGARAH R.S.L. CLUB LIMITED
A.B.N. 75 001 032 355

SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2015

	30 June 2015	30 June 2014
	\$	\$
<u>Less: Poker Machine, Keno and Tab Expenses</u>		
Cash shortfalls	2,115	935
Bonus prizes	-	-
Data monitoring fee	33,901	47,378
Depreciation	25,315	22,778
Donations - CDSE	5,956	21,500
Monitoring statewide link	5,377	39,056
Lease of coffee machine	4,224	6,327
Poker machine game licencing fee	659,943	233,651
Poker machine promotions	37,893	56,800
Keno expenses	5,962	7,319
Payroll tax	3,242	4,777
Redemptions	2,516	3,340
Repairs and maintenance	-	30,820
Superannuation	16,373	23,065
Poker machine duty	344,314	270,993
Tab expenses	26,245	25,233
Wages	182,189	259,194
	<u>1,355,565</u>	<u>1,053,167</u>
<u>Less: Administration Expenses</u>		
Accounting services	22,150	20,091
Auditing fees	16,000	15,000
Artists' fees & club entertainment	295,969	306,022
Bank charges	7,420	9,841
Catering expenses	3,323	1,052
Cleaning and laundry	78,960	79,233
Consultancy fees	1,350	43,505
Courtesy Bus	9,721	10,075
Depreciation	216,700	177,254
Donations - general	775	144
Fringe Benefit Tax	2,413	2,168
Fines	-	598
Fuel	2,101	2,363
General expenses	821	1,836
Hire of equipment	11,983	5,607
Honoraria	6,000	6,000
Finance costs	87,827	66,332
Impairment of driveway	-	30,381
Insurance (workers comp and general)	70,204	70,901
Leasing & maintenance of ATM and photocopier	21,484	22,269
Legal expenses	23,182	15,982
Light and power	163,695	178,895
License fees - other	14,280	6,748
Loss on disposal of assets	-	177,044
Payroll tax	8,531	9,035
Postage, printing and stationery	18,807	22,718
Provision for AL LSL & SL	2,362	34,021
Publicity	11,023	20,204
	<u>1,097,081</u>	<u>1,335,319</u>

KOGARAH R.S.L. CLUB LIMITED

A.B.N. 75 001 032 355

SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2015

	30 June 2015 \$	30 June 2014 \$
Balance brought forward	1,097,081	1,335,319
Rates and taxes	43,575	38,138
Repairs and maintenance	128,371	235,190
Salaries and wages	479,444	490,237
Staff amenities	156	271
Security expenses	19,557	18,102
Staff training	1,000	10,211
Software maintenance	3,327	16,796
Subscriptions	7,596	8,703
Superannuation	43,088	43,626
Telephone	23,568	20,038
Uniforms	2,956	10,472
Waste removal and grease trap service	20,707	18,501
	<u>1,870,426</u>	<u>2,245,605</u>
NET OPERATING PROFIT /(LOSS)	(394,539)	185,197
	.	.
Less: (Income tax expense)/benefit	-	(21,943)
Net profit/(Loss) for the year after income tax	<u>(394,539)</u>	<u>163,255</u>

RENTAL INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	30 June 2015 \$	30 June 2014 \$
Gross Rent	101,929	111,047
Proceeds on Sale	1,712	-
	<u>103,641</u>	<u>111,047</u>
<u>Less Expenses</u>		
Bad Debts - Sammy's Bistro	5,922	-
Repairs & maintenance	1,535	1,166
	<u>7,457</u>	<u>1,166</u>
Net Profit	<u>96,184</u>	<u>109,881</u>

KOGARAH R.S.L. CLUB LIMITED

A.B.N. 75 001 032 355

IMPORTANT INFORMATION FOR CLUB MEMBERS

This document is in the approved form of the Director of Liquor and Gaming and must be sent to members of the club.

The reporting period for the Kogarah RSL Club Limited is 1 July 2014 to 30 June 2015.

IMPORTANT NOTES

The Registered Clubs Act 1976 defines a Top Executive as one of the five highest paid employees of the Club at each separate premises of the Club.

DISCLOSURE OF INTERESTS OF DIRECTORS IN CONTRACTS WITH THE CLUB - SECTION 41C

Club members may inspect the original of these disclosures and declarations by making a written application to the Secretary.

The Registered Club Act 1976 requires Directors who have a material personal interest in matters that relate to the affairs of the Club to declare the interest at a Board meeting and the Club to display the declaration on the Club's notice board. A contract is any commercial arrangement whether written or not.

In the reporting period there were no occasions when Directors reported a material personal interest in a matter relating to the Club's affairs.

FINANCIAL INTERESTS IN HOTELS - SECTION 41D

Club members may inspect the original of these disclosures and declarations by making a written application to the Secretary.

In the reporting period there were no occasions when Directors reported financial interest in a hotel in NSW. In the reporting period there were no occasions when Top Executives reported a financial interest in a hotel in NSW.

GIFTS TO DIRECTORS AND STAFF - SECTION 41E AND SECTION 41F

Club members may inspect the original of these disclosures and declarations by making a written application to the Secretary.

An affiliated body of the Club includes subsidiary clubs, and any body which the club made a grant to within the previous 12 months. A gift includes money, hospitality, or discounts. A gift values at more than \$500 must be disclosed: gifts from contractors must be disclosed if they total more than \$500 from an individual contractor in the reporting period.

Directors

In the reporting period there were no occasions when Directors of the Club reported receiving gifts from affiliated bodies. In the reporting period there were no occasions when Directors of the Club reported receiving gifts from contractors.

Top Executives and Employees

In the reporting period there were no occasions when Top Executives of the Club reported receiving gifts from affiliated bodies. In the reporting period there were no occasions when employees of the Club reported receiving gifts from contractors.

KOGARAH R.S.L. CLUB LIMITED

A.B.N. 75 001 032 355

IMPORTANT INFORMATION FOR CLUB MEMBERS

Value of Gifts

The total value of the gifts that Directors and Top Executives received from affiliated bodies in the reporting period is \$Nil. The total value of gifts that Directors and employees received from contractors in the reporting is \$Nil.

TOP EXECUTIVES - SECTION 41H (1) (b)

The total remuneration paid to key management personnel of the Club inclusive of superannuation is \$116,670 (2014 \$107,959).

OVERSEAS TRAVEL - SECTION 41H7 (1) (c)

In the reporting period the Club incurred no costs for overseas travel of Directors and employees.

LOANS TO STAFF - SECTION 41H (1) (d)

The Registered Club Act 1976 requires the Club to report loans to employees of \$1,000 or more. In the reporting period the Club made no loans to employees.

CONTRACTS APPROVED BY BOARD - SECTION 41H (1) (e)

During the reporting period the Board did not approve a contract relating to the remuneration of the Club's Top Executive.

The Registered Clubs Act 1976 defines a Controlled Contract as being a club contract in which a Director or Top Executive has a pecuniary interest, or for provision of professional advice relating to the following:

- (a) significant change to management structures or governance of the Club;
- (b) significant change to financial management of the Club;
- (c) disposal of land, and
- (d) the amalgamation of the Club.

During the reporting period no controlled contracts were approved by the Board and forwarded to the Director of Liquor and Gaming of which:

- such contracts related to contracts in which a Director or Top Executive has pecuniary interest.
- such contracts related to the provision of professional advice. These contracts fall into the following advice categories:
 - significant change to the management structure or governance of the Club;
 - disposal of Club land;
 - amalgamation of the Club.

EMPLOYEES RELATED TO DIRECTORS AND TOP EXECUTIVES - SECTION 41H (1) (f)

A close relative is defined in section 41B of the Registered Clubs Act 1976 and includes the immediate family.

In the reporting period, the Club employed the following persons who were a close relative of a Director or Top Executive of the Club:

Name of Close Relative	Related to	Total remuneration paid to close relative
None		

KOGARAH R.S.L. CLUB LIMITED
A.B.N. 75 001 032 355
IMPORTANT INFORMATION FOR CLUB MEMBERS

PAYMENTS TO CONSULTANTS - SECTION 41H (1) (g) and (h)

During the reporting period the Club engaged the following consultants:

	\$	
Haron Robson Construction Services		1,350
Essential Facilities Management - Bill Stinson		21,000

DETAILS OF SETTLEMENTS PAID BY THE CLUB - SECTION 41H (1) (i)

In the reporting period the Club made no legal settlements with either a Director or employee. Being Nil with a Director of the Club and Nil with a Club employee. The total value of all legal settlements was \$Nil. The total legal costs paid by the Club for such settlements were \$Nil.

LEGAL FEES PAID BY THE CLUB - SECTION 41H (1) (i)

In the reporting period, there were no instances when the Club paid legal fees for Directors and employees. This included Nil instances for Directors and Nil instances for employees. In the reporting period the Club paid a total of \$Nil being for legal fees paid for Directors and employees.

GAMING MACHINE PROFIT - SECTION 41H (1) (k)

Gaming machine profit and the gaming machine tax period are defined in the Gaming Machine Act 2001. In the most recent gaming machine tax period, the total profit from gaming machines was \$2,333,402 (GST exclusive).

Taxes paid to the State Government in the Gaming Machine tax period \$344,314 (\$361,494 less gaming rebate of \$17,180).

AMOUNT PAID TO COMMUNITY DEVELOPMENT - SECTION 41H (l)

Clubs earning in excess of \$1,000,000 p.a in gaming machine profit must apply part of such profit to community development and support. Total expenditure on Club Grants to year ending 31 August 2015 is \$57,700 inclusive of in-kind donations of \$43,700 as required under Part 4 in the Gaming Machine Tax Act 2001.