



SWANSEA RSL CLUB LIMITED
ABN 82 001 052 642

Summary Financial Report
For the Year Ended
31 December 2018

The financial statements and other specific disclosures have been derived from Swansea RSL Club's (the Club's) full financial statements for the financial year. Other information included in the Summary Financial Statements is consistent with the Club's full financial statements.

The Summary Financial Statements do not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Club as the full financial statements.

A copy of the Club's 2018 full financial statements, including the independent audit report, is available to all members and will be sent to members without charge upon request.

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Swansea RSL Club Limited

ABN 82 001 052 642

Directors' Report

31 December 2018

Your Directors present their report on Swansea RSL Club Limited for the financial year ended 31 December 2018.

Directors

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

Name	Position	Occupation	Years Service
G. Davies	President	Retired	31
A. Rankin	Senior Vice President	Company Director	6
T. Jones	Vice President	Trades Assistant	12
P. Jeffery	Director	Retired	11
C. George	Director	Practice Manager	5
B. Pearce	Director	Retired	3
T. De Lore	Director	Retired	1

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

Club secretary

The following person held the position of Club secretary at the end of the financial year:

K. Emerton who is also the General Manager of the Club has held the position of Secretary for 13 years.

Principal activities

The principal activity of Swansea RSL Club Limited during the financial year was the conduct of a Licensed Club.

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

Operating results

The profit of the Club after providing for income tax amounted to \$221,236 (2017: 567,534).

Review of operations

Profit from bar trading amounted to \$581,076 and gross profit percentage of 64% was obtained from sales of \$1,511,507.

Net gaming revenue amounted to \$3,871,315 and compares with \$3,974,914 in 2017.

Profit from catering trading amounted to \$207,997 and compares to a profit of \$492,276 in 2017.

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Directors' Report

31 December 2018

Meetings of directors

During the financial year, 12 meetings of Directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
G. Davies	12	10
A. Rankin	12	7
T. Jones	12	11
P. Jeffery	12	9
C. George	12	11
B. Pearce	12	9
T. De Lore	12	11

Members guarantee

Swansea RSL Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$1 for all members, subject to the provisions of the Club's constitution.

At 31 December 2018 the collective liability of members was \$10,422 (2017: \$9,873).

Significant changes in state of affairs

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

After balance date events

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

Environmental issues

The Club's operations are subject to environmental regulations under the laws of the Commonwealth and State of Australia. The Directors are not aware of any breaches of the legislation during the financial year which are material in nature.

Swansea RSL Club Limited

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Directors' Report

31 December 2018

Short and long term objectives

The Club has established short and long term objectives as outlined in the Club's business plan which is reviewed on an annual basis. These objectives are both financial and non financial and are aimed towards providing a comfortable and secure environment to its members that continues to meet their needs. These objectives are measured through both financial and non financial key performance indicators that have been determined relevant to the club industry. No information is included on the likely developments in the operations of the club and the expected results of those operations.

Auditors independence declaration

The lead auditors independence declaration for the year ended 31 December 2018 has been received and can be found on page 4 of the financial report.

Disclosure of Core and Non-Core Property

Pursuant to Section 41J(2) of the Registered Clubs Act 1976 and for the financial year ended 31 December 2018, the Directors have determined that the property of the Club shall be classified as follows:

Address	Current Usage	Classification
Lot 5, 12 Chalmers Street / 5 Bridge Street, Swansea	Clubhouse and Carpark	Core
4 Peel Street, Swansea	Carpark	Core
11 Chalmers Street, Swansea	Investment Property	Non-Core

Indemnification and insurance of officers

The Club has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the club, other than conduct involving a wilful breach of duty in relation to the club.

Proceedings on behalf of the Club

No Director has applied for leave of court to bring proceedings on behalf of the Club or intervene in any proceedings to which the Club is a party for the purpose of taking responsibility on behalf of the Club for all or any part of those proceedings.

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

Director: 

Director: 

Dated 18 February 2019

Swansea RSL Club Limited

ABN 82 001 052 642

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Swansea RSL Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Cutcher & Neale Assurance Pty Limited
(An authorised audit company)



N. Nancarrow CA
Director

NEWCASTLE

11 February 2019

Swansea RSL Club Limited

ABN 82 001 052 642

Independent Audit Report to the members of Swansea RSL Club Limited

Report on the Audit of the Financial Report

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2018, the summary statement of profit or loss and other comprehensive income, the summary statement of changes in equity, the summary statement of cash flows, discussion and analysis of the financial statements and the Directors Declaration for the year then ended, and related notes, are derived from the audited financial report of Swansea RSL Club Limited for the year ended 31 December 2018.

In our opinion, the accompanying summary financial statements are consistent, in all material respects with the audited financial statements, on the basis described in Note 1.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Australian Accounting Standards - Reduced Disclosure Requirements. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and auditor's report thereon.

The Audited Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial report in our report dated 19 February 2019.


Directors' Responsibility for the Summary Financial Statements

The directors are responsible for the preparation of the summary financial statements on the basis described in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial report based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

Cutcher & Neale Assurance Pty Limited
(An authorised audit company)



N. Nancarrow CA
Director

NEWCASTLE

19 February 2019

Swansea RSL Club Limited

ABN 82 001 052 642

Directors' Declaration

The Directors of Swansea RSL Club Limited declare that the summary financial statements of Swansea RSL Club Limited for the financial year ended 31 December 2018, as set out on pages 7 to 13:

- a. comply with Accounting Standards as described in Note 1; and
- b. have been derived from and are consistent with the full financial statements of Swansea RSL Club Limited.

This declaration is made in accordance with a resolution of the Board of Directors.

Director 

Director 

Dated 18 February 2019

Swansea RSL Club Limited

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

	2018	2017
Note	\$	\$
Bar sales	1,511,507	1,692,616
Less: Bar cost of goods sold	(544,625)	(623,818)
	966,882	1,068,798
Catering sales	1,915,257	2,309,465
Less: Catering cost of goods sold	(742,739)	(858,097)
	1,172,518	1,451,368
Gross profit	2,139,400	2,520,166
Gaming machine net clearances	3,871,315	3,974,914
Gaming commissions	121,279	140,589
Other revenue from contracts with customers	270,012	315,254
Other revenue from ordinary activities	2 166,365	132,417
Borrowing cost expense	(76,137)	(61,212)
Bar trading expenses	(385,806)	(391,521)
Catering trading expenses	(964,521)	(959,092)
Gaming machine trading expenses	(1,145,722)	(1,190,141)
Gaming commission expenses	(226,424)	(227,759)
Raffle and bingo expenses	(329,242)	(364,004)
Occupancy expenses	(519,411)	(497,025)
Club promotion and entertainment expenses	(325,125)	(370,518)
Depreciation and amortisation expense	(728,872)	(778,695)
Administrative expenses	(1,541,266)	(1,606,214)
Other operating expenses from ordinary activities	(137,864)	(58,446)
Profit / (loss) before income tax	187,981	578,713
Income tax (expense) / benefit	33,255	(11,179)
Profit / (loss) after income tax	221,236	567,534
Other comprehensive income	-	-
Total comprehensive income / (loss)	221,236	567,534

Swansea RSL Club Limited

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Summary Statement of Financial Position

As At 31 December 2018

	2018 \$	2017 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	1,274,622	1,622,776
Trade and other receivables	58,515	38,612
Inventories	52,167	62,999
Other current assets	174,498	128,403
TOTAL CURRENT ASSETS	1,559,802	1,852,790
NON-CURRENT ASSETS		
Financial assets	1,450	1,450
Property, plant and equipment	12,332,265	8,000,423
Investment property	633,494	1,107,599
Deferred tax assets	274,974	252,898
Intangible assets	166,320	166,320
TOTAL NON-CURRENT ASSETS	13,408,503	9,517,511
TOTAL ASSETS	14,968,305	11,370,301
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	1,075,506	623,138
Short-term borrowings	705,777	119,842
Short-term provisions	451,924	403,033
TOTAL CURRENT LIABILITIES	2,233,207	1,146,013
NON-CURRENT LIABILITIES		
Long-term borrowings	3,309,383	982,047
Long-term provisions	74,925	112,687
TOTAL NON-CURRENT LIABILITIES	3,384,308	1,094,734
TOTAL LIABILITIES	5,617,515	2,240,747
NET ASSETS	9,350,790	9,129,554
EQUITY		
Retained Earnings	9,350,790	9,129,554
TOTAL EQUITY	9,150,790	9,129,554

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Summary Statement of Changes in Equity For the Year Ended 31 December 2018

2018

	Retained Earnings
	\$
Opening balance 1 January 2018	9,129,554
Total other comprehensive income for the year	<u>221,236</u>
Balance at 31 December 2018	<u><u>9,350,790</u></u>

2017

	Retained Earnings
	\$
Opening balance 1 January 2017	8,562,020
Total other comprehensive income for the year	<u>567,534</u>
Balance at 31 December 2017	<u><u>9,129,554</u></u>

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Summary Statement of Cash Flows For the Year Ended 31 December 2018

	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	8,546,054	9,345,909
Payments to suppliers and employees	(7,050,939)	(7,904,689)
Interest received	3,608	3,031
Interest paid	(76,137)	(61,212)
Net cash provided by / (used in) operating activities	<u>1,422,586</u>	<u>1,383,039</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property, plant and equipment	(4,684,011)	(510,040)
Net cash provided by / (used in) investing activities	<u>(4,684,011)</u>	<u>(510,040)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	3,420,738	117,709
Repayment of borrowings	(507,467)	(120,674)
Net cash provided by / (used in) financing activities	<u>2,913,271</u>	<u>(2,965)</u>
Net increase / (decrease) in cash and cash equivalents held	(348,154)	870,034
Cash and cash equivalents at beginning of year	<u>1,622,776</u>	<u>752,742</u>
Cash and cash equivalents at end of financial year	<u><u>1,274,622</u></u>	<u><u>1,622,776</u></u>

Swansea RSL Club Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The summary financial statements have been prepared from the audited financial statements of Swansea RSL Club Limited for the year ended 31 December 2018. The audited report for the year ended 31 December 2018 is available at request from Swansea RSL Club Limited.

The financial statements, specific disclosures and the other information included in the summary financial statements are derived from and are consistent with the full financial statements of Swansea RSL Club Limited. The summary financial statements cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Swansea RSL Club Limited as the full financial statements.

The accounting policies have been consistently applied to Swansea RSL Club Limited and are consistent with those of the financial year in their entirety.

The presentation currency used in the financial statements is Australian dollars.

There have been no changes to the accounting policies of the Club from last year.

2 Revenue

	2018 \$	2017 \$
Revenue from Contracts with Customers		
- Trading revenue	7,419,358	8,117,584
Other revenue from contracts with customers		
- Raffles and bingo income	235,379	282,176
- Membership subscriptions	34,633	33,078
Total other revenue from contracts with customers	270,012	315,254
Total revenue from contracts with customers	7,689,370	8,432,838
Other Revenue from Ordinary Activities		
- Rent received	36,667	52,530
- Interest received	3,608	3,031
- Insurance recoveries	55,139	-
- Rebate for GST on poker machine duty	17,180	17,180
- Other income	53,771	59,676
Total other revenue from ordinary activities	166,365	132,417
Total Revenue	7,855,735	8,565,255

Swansea RSL Club Limited

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Discussion and Analysis of the Summary Financial Statements For the Year Ended 31 December 2018

Information on Swansea RSL Club Limited Summary Financial Statements

The financial statements, disclosures and discussion and analysis in the summary financial statements have been derived from the 31 December 2018 financial statements of Swansea RSL Club Limited.

A copy of the full financial statements and auditors report will be sent to any member, free of charge, upon request. The summary financial statements cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial statements.

The discussion and analysis is provided to assist members in understanding the summary financial statements.

Summary Statement of Profit or Loss and Other Comprehensive Income

The profit from ordinary activities after income tax attributable to members for this year was \$221,236. The result has decreased by \$346,298 compared to a profit of \$567,534 reported in 2017.

Revenue

Total revenue has decreased by \$709,520 or 8.28% compared to 2017. This year, the Club has seen a decrease in bar, gaming machine and catering revenue compared to 2017.

Expenditure

Total expenditure, excluding income tax, has decreased by \$318,788 or 3.99% compared to 2017. Some notable comparisons include:

- Administrative expenses have decreased \$64,948 due to a decrease in administration staff and staff training;
- Depreciation and amortisation expenses have decreased \$49,823 due to the age of the Clubhouse property, plant and equipment.
- Club promotion and entertainment expenses have decreased \$45,393 due to a decrease in members draw, general promotions and entertainment expenditure.
- Other operating expenses from ordinary activities have increased \$79,418 and mostly relates to the loss on disposal of part of the Clubhouse building (\$97,402), due to renovations this year.

An important key performance indicator for clubs is EBITDA as a percentage of revenue. This year the Club has reported a percentage of 13.83% compared to 16.54% in 2017.

Swansea RSL Club Limited

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Discussion and Analysis of the Summary Financial Statements For the Year Ended 31 December 2018

Summary Statement of Financial Position

Total assets increased by \$3.60m to \$14.97m representing an increase of 31.6%. This increase is mainly attributable to the increase in property, plant and equipment of \$4.33m, a decrease in cash of \$348k and a decrease in investment property of \$474k mostly due to Clubhouse renovations.

Total liabilities increased by \$3.38m to \$5.62m representing an increase of 150.7%. This increase is attributable to an increase in total borrowings of \$2.91m and an increase in trade and other payables of \$452k mostly due to Clubhouse renovations.

Working capital (current assets compared to current liabilities) is currently in a deficit position of \$673,405 compared to a surplus of \$706,777 in 2017. This position has decreased with the Club decreasing its cash position and increasing its borrowings during the year to fund Clubhouse renovations.

Summary Statement of Changes in Equity

The equity of the Club has increased by the reported profit result for the year.

Summary Statement of Cash flows

Cash has decreased during the year by \$348,154 to \$1,274,622 which is mainly attributable to decreases in cash flows from operating activities, as a result of a decrease in revenue.

Cash flows from investing activities relate to net capital additions of \$4,684,011, mostly relating to Clubhouse renovations.

Cash flows from financing activities relates to the net proceeds from borrowings. The Club had new borrowings this year for the finance of Clubhouse renovations of \$3.269m and insurance premiums of \$150k. Repayments of existing debts totalled \$507k.