
Seven Hills-Toongabbie RSL Club Limited

ABN 65 000 862 680

Summary Financial Statement 31 December 2017

The financial statements and other specific disclosures have been derived from Seven Hills-Toongabbie RSL Club Limited's (the Company) full financial report for the financial year. Other information included in the summary financial report is consistent with the Company's full financial report.

The summary financial statement does not, and 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 report.

A copy of the Company's 2017 Annual Financial Report, including the independent audit report, is available to all members and will be sent to members without charge upon request.

Seven Hills-Toongabbie RSL Club Limited

Directors' Report

Directors

The directors present their report together with the financial statements of Seven Hills-Toongabbie RSL Club Limited (the company) for the year ended 31 December 2017.

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

Director	Occupation	Special Responsibilities	Date of Appointment
Barry Wilson	Retired	President	1 March 1993
Graham Black	Retired	Vice President	2 March 1992
John Burgess	Retired		23 March 1998
Graeme Quinn	Retired		5 March 1984
Robert Mackay	Retired		9 April 2006
Anne Moore	Administration Officer		27 April 2008
Warren Evans	Retired		27 April 2008
William North	Retired		28 April 2008
Peter Harrington	Retired		1 May 2011

Directors' meetings

The number of meetings of the company's Board of Directors (the Board) held during the year ended 31 December 2017, and the number of meetings attended by each director were:

Director	Number of meetings attended	Number of meetings held *
Barry Wilson	12	14
Graham Black	14	14
John Burgess	13	14
Graeme Quinn	14	14
Robert Mackay	14	14
Anne Moore	11	14
Warren Evans	14	14
William North	13	14
Peter Harrington	14	14

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

Seven Hills-Toongabbie RSL Club Limited

Directors' Report (continued)

Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 31 December 2017 and the comparison with last year is as follows:

	2017	2016
Associate	40,637	37,610
Sub-Branch	377	378
Life	13	14
	<u>41,027</u>	<u>38,002</u>

Members' limited liability

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to one year's membership subscription 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 \$205,135 (2016: \$190,010)

Operating Result

The net profit before tax for the year amounted to \$7,396,777 compared with \$6,349,274 for the prior year. This resulted after charging \$4,376,277 (2016: \$4,085,805) for depreciation and before charging \$559,649 (2016: \$620,366) for income tax.

Short term and long term objectives

Continue to improve facilities for members and guests.

Strategy for achieving the objectives

Continue to strengthen the company's financial position.

Principal activities

The principal activities of the company during the year have continued to be those of licensed social clubs.

How these activities assist in achieving the objectives

Operating the licensed clubs to generate the revenue to achieve our objectives.

Performance measurement and key performance indicator

Maintaining a strong EBITDA and making all trading centres profitable.

Bar (Main Club)	2017	2016
Gross profit percentage	54.80%	55.45%
Wages to sales percentage	44.03%	43.02%
EBITDA percentage (Company)	34.13%	31.22%

Seven Hills-Toongabbie RSL Club Limited

Directors' Report (continued)

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 5.

Signed in accordance with a resolution of the directors.

Dated at Seven Hills this 27th day of March 2018.

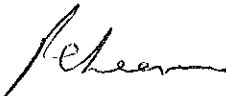
A handwritten signature in black ink, appearing to read 'B Wilson', is positioned above the printed name and title.

Barry Wilson
Director

**DECLARATION OF INDEPENDENCE BY PAUL CHEESEMAN TO THE DIRECTORS OF SEVEN HILLS-
TOONGABBIE RSL CLUB LIMITED**

As lead auditor of Seven Hills-Toongabbie RSL Club Limited for the year ended 31 December 2017, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Paul Cheeseman
Partner

BDO East Coast Partnership

Sydney, 27 March 2018

Seven Hills-Toongabbie RSL Club Limited

Summary Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2017

	2017	2016
	\$	\$
Revenue		
Sale of goods	4,729,934	4,593,715
Rendering of services	25,266,930	24,641,531
Profit on disposal of non-current assets	255,652	-
Other revenue	1,954,449	1,701,062
Total revenue	32,206,965	30,936,308
Expenses		
Raw materials/consumables used	(2,169,706)	(2,102,550)
Donations	(316,609)	(331,092)
Loss on disposal of non-current assets	-	(441,706)
Employee benefits expense	(5,752,273)	(5,861,424)
Entertainment, marketing and promotional costs	(1,384,878)	(1,238,487)
Poker machine licences and taxes	(5,609,096)	(5,388,151)
Depreciation expense	(4,376,277)	(4,085,805)
Occupancy expenses	(3,823,184)	(3,683,581)
Other expenses	(1,378,165)	(1,454,238)
Total expenses	(24,810,188)	(24,587,034)
Profit before income tax	7,396,777	6,349,274
Income tax expense	(559,649)	(620,366)
Profit after income tax for the year attributable to members	6,837,128	5,728,908
Other comprehensive income		
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year, net of tax	6,837,128	5,728,908

The Summary Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the discussion and analysis on page 10.

Seven Hills-Toongabbie RSL Club Limited

Summary Statement of Financial Position As at 31 December 2017

	2017	2016
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	4,011,508	1,939,423
Term deposit investments	35,000,000	30,000,000
Trade and other receivables	4,717,190	4,409,343
Current tax asset	108,715	-
Inventories	207,535	216,897
Prepayments	353,351	296,290
Total Current Assets	44,398,299	36,861,953
Non-Current Assets		
Property, plant and equipment	54,448,195	54,956,716
Intangible assets	1,030,000	1,030,000
Deferred tax assets	90,707	97,547
Total Non-Current Assets	55,568,902	56,084,263
Total Assets	99,967,201	92,946,216
LIABILITIES		
Current Liabilities		
Trade and other payables	1,914,371	1,548,641
Current tax liabilities	-	223,275
Employee benefits	1,255,220	1,245,698
Deferred revenue	174,818	181,322
Total Current Liabilities	3,344,409	3,198,936
Non-Current Liabilities		
Employee benefits	99,772	82,717
Deferred revenue	113,490	92,161
Total Non-Current Liabilities	213,262	174,878
Total Liabilities	3,557,671	3,373,814
Net Assets	96,409,530	89,572,402
Members' Funds		
Reserves	11,544,108	11,544,108
Retained surpluses	84,865,422	78,028,294
Total Members' Funds	96,409,530	89,572,402

The Summary Statement of Financial Position is to be read in conjunction with the discussion and analysis on page 10.

Seven Hills-Toongabbie RSL Club Limited

Summary Statement of Changes in Equity For the Year Ended 31 December 2017

	Reserves \$	Retained Surpluses \$	Total Equity \$
Balance at 1 January 2016	11,544,108	72,299,386	83,843,494
Net profit after income tax expense for the year	-	5,728,908	5,728,908
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	5,728,908	5,728,908
Balance at 31 December 2016	11,544,108	78,028,294	89,572,402
Net profit after income tax expense for the year	-	6,837,128	6,837,128
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	6,837,128	6,837,128
Balance at 31 December 2017	11,544,108	84,865,422	96,409,530

The Summary Statement of Changes in Equity is to be read in conjunction with the discussion and analysis on page 10.

Seven Hills-Toongabbie RSL Club Limited

Summary Statement of Cash Flows For the Year Ended 31 December 2017

	2017 \$	2016 \$
Cash Flows From Operating Activities		
Receipts from customers (inclusive of GST)	32,688,702	32,194,406
Payments to suppliers and employees (inclusive of GST)	(23,074,163)	(22,084,598)
Rent received	1,087,344	923,444
Interest received	867,105	719,728
Net Income taxes paid	(884,799)	(573,350)
Net cash from operating activities	10,684,189	11,179,630
Cash Flows From Investing Activities		
Proceeds from sale of property, plant and equipment	385,210	243,370
Payment for property, plant and equipment	(3,997,314)	(7,064,124)
Loan to Penrith Golf Club	-	(57,200)
Net cash used in investing activities	(3,612,104)	(6,877,954)
Net increase in cash and cash equivalents	7,072,085	4,301,676
Cash and cash equivalents at the beginning of the financial year	31,939,423	27,637,747
Cash and cash equivalents at the end of the financial year	39,011,508	31,939,423

The Summary Statement of Cash Flows is to be read in conjunction with the discussion and analysis on page 10.

Seven Hills-Toongabbie RSL Club Limited

Discussion and Analysis

Summary Statement of Profit or Loss and Other Comprehensive Income

The total revenue has increased by \$1,270,657 (4.1%) from the prior year whilst expenses including depreciation have increased by \$223,154 (0.9%) resulting in a net profit before tax of \$7,396,777 compared to \$6,349,274 net profit before tax for the previous year, an increase of \$1,047,503 (16.5%).

Individual items that impacted the 2017 result were:

- Revenue from sale of goods in bar increased by \$136,219 (2.9%)
- Revenue from rendering of services increased by \$625,399 (2.5%) mainly due to increased net poker machine revenue of \$634,015 (2.8%)
- Interest received income increased by \$89,487 (11.5%)
- Rental income increased by \$163,900 (17.7%)
- Cost of bar sales increased by \$67,156 (3.1%)
- Loss on disposal of non-current assets decreased by \$697,358 (157.8%)
- Employee benefits expenses decreased by \$109,151 (1.8%)
- Poker machine licenses and taxes increased by \$220,945 (4.1%)
- Depreciation increased by \$290,472 (7.1%)
- Occupancy expenses increased by \$139,603 (3.7%)
- Other expenses decreased by \$76,073 (5.2%)

Summary Statement of Financial Position

The entity's net assets have increased by \$6,837,128 or 7.6% since the previous year consisting of an increase in total assets of \$7,020,985 and an increase of \$183,857 in total liabilities.

The increase in total assets is primarily due to an increase in term deposit investments of \$5,000,000 and an increase in cash and cash equivalents of \$2,072,085.

The increase in total liabilities is primarily due to an increase in trade and other payables of \$365,730.

Summary Statement of Cash Flows

Operating activities received net cash of \$10,684,189, a decrease of \$495,441 when compared to the previous year.

Cash used in investing activities of \$3,612,104 related to payments for property, plant and equipment, net of proceeds from sale.

The above factors resulted in an overall increase of \$7,072,085 in cash held compared with last year's increase of \$4,301,676.

Cash and cash equivalents (including term deposit investments) at year end was \$39,011,508 compared to \$31,939,423 for the prior year.

Seven Hills-Toongabbie RSL Club Limited

Notes to the Summary Financial Statements For the Year Ended 31 December 2017

1 Summary of Significant Accounting Policies

Basis of Preparation of the Summary Financial Statements

The Summary Financial Statements have been prepared from the audited financial report of Seven Hills-Toongabbie RSL Club Limited for the year ended 31 December 2017. The audited report for the year ended 31 December 2017 is available at request from Seven Hill-Toongabbie RSL Club.

The financial statements are presented in Australian dollars which is the entity's functional and presentational currency.

The financial statements, specific disclosures and other information included in the summary financial statements have been derived from and are consistent with the full financial statements of Seven Hills-Toongabbie RSL Club Limited as the full financial report.

The summary financial statements do not, and cannot be expected to, provide a detailed understanding of the financial performance, financial position and financing and investing activities of Seven Hills-Toongabbie RSL Limited as the full financial report.

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

Seven Hills-Toongabbie RSL Club Limited

Directors' Declaration

The directors of Seven Hills-Toongabbie RSL Club Limited (the company) declare that the summary financial statements of the entity for the financial year ended 31 December 2017, as set out on pages 6 to 11:

- (a) complies with the accounting policies disclosed in Note 1; and
- (b) is an extract from the full financial report for the year ended 31 December 2017 and has been derived from and is consistent with the full financial report of the entity.

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

Dated at Seven Hills this 27th day of March 2018.



Barry Wilson
Director



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Sydney NSW 2000

Australia

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL REPORT

To the members of Seven Hills-Toongabbie RSL Club Limited,

The accompanying summary financial statements, which comprises the summary statement of financial position as at 31 December 2017, the summary statement of profit or loss and other comprehensive income, summary statement of changes in equity and summary cash flow statement for the year then ended, are derived from the audited financial report of Seven Hills-Toongabbie RSL Club Limited for the year ended 31 December 2017. We expressed an unmodified audit opinion on that financial report in our report dated 27 March 2018.

The summary financial statements do not contain all the disclosures required by Australian Accounting Standards - Reduced Disclosure Requirements. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial report of Seven Hills-Toongabbie RSL Club Limited.

Directors' Responsibility for the Summary Financial Statements

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

Auditor's Responsibility

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

Opinion

In our opinion, the summary financial statements derived from the audited financial report of Seven Hills-Toongabbie RSL Club Limited for the year ended 31 December 2017 are consistent, in all material respects, with that audited financial report, on the basis described in Note 1.

BDO East Coast Partnership

BDO

P. Cheeseman

Paul Cheeseman

Partner

27 March 2018