



NEWCASTLE LEAGUES CLUB LIMITED
ABN 34 000 140 750

Summary Financial Report
For the Year Ended
30 June 2018

The financial statements and other specific disclosures have been derived from Newcastle Leagues Club Limited'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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Newcastle Leagues Club Limited

ABN 34 000 140 750

Directors' Report

30 June 2018

Your Directors present their report on Newcastle Leagues Club Limited for the financial year ended 30 June 2018.

Directors

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

Name	Position	Occupation	Years Service
V. Murphy	President	Retired	Appointed 10/2017
B. Morgan	Vice President	Lawn Care	3
H. Billings	Director	Retired	5
S. Gilshenan	Director	Retired	2
D. Turrell	Director	Retired	Appointed 10/2017
E. Condon	Director	Retired	Appointed 10/2017
G. Hickey	Director	Retired	Appointed 11/2017
K. Bradley	-	-	Resigned 10/2017
G. West	-	-	Resigned 10/2017
M. Hanlon	-	-	Resigned 09/2017

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:

Brett Myers who is also the Secretary Manager of the Club has been the Club Secretary since July 2018. Prior to this, Nicole Rollason held the position for 4 years.

Principal activities

The principal activity of Newcastle Leagues 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 loss of the Club after providing for income tax amounted to \$5,495 (2017: profit of \$53,200)

Review of operations

Profit from bar trading amounted to \$134,919 and gross profit percentage of 64% was obtained from sales of \$466,442.

Net gaming revenue amounted to \$796,165 and compares with \$955,281 in 2017.

Newcastle Leagues Club Limited

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Directors' Report

30 June 2018

Meetings of Directors

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

	Directors' Meetings	
	Number eligible to attend	Number attended
V. Murphy (Appointed 10/2017)	9	9
B. Morgan	13	7
H. Billings	13	12
S. Gilshenan	13	12
D. Turrell (Appointed 10/2017)	9	8
E. Condon (Appointed 10/2017)	9	6
G. Hickey (Appointed 11/2017)	8	8
K. Bradley (Resigned 10/2017)	4	3
G. West (Resigned 10/2017)	4	-
M. Hanlon (Resigned 09/2017)	4	2

Member guarantee

Newcastle Leagues Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstandings and obligations of the Club. At 30 June 2018, the number of members was 954 (2017: 1,326).

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.

Newcastle Leagues Club Limited

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Directors' Report

30 June 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 30 June 2018 has been received and can be found on page 4 of the financial report.

Disclosure of Core and Non Core Property

Address	Current Usage	Classification
17 National Park Street	Club Building (Leasehold Improvements)	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.

Directors emoluments

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Club, with a Director, a firm of which the Director is a member or an entity in which the Director has a substantial financial interest except for those disclosed in note 16 of the full financial statements.

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

Director: 

Director: 

Dated 28 August 2018

Newcastle Leagues Club Limited

ABN 34 000 140 750

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 To the Directors of Newcastle Leagues Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 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

21 August 2018

Newcastle Leagues Club Limited

ABN 34 000 140 750

Independent Audit Report to the members of Newcastle Leagues 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 30 June 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 Newcastle Leagues Club Limited for the year ended 30 June 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 29 August 2018.

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

29 August 2018

Newcastle Leagues Club Limited

ABN 34 000 140 750

Directors' Declaration

The Directors of Newcastle Leagues Club Limited declare that the summary financial statements of Newcastle Leagues Club Limited for the financial year ended 30 June 2018, as set out on pages 7 to 13:

- (a) comply with Accounting policies as described in Note 1; and
- (b) have been derived from and are consistent with the full financial statements of Newcastle Leagues Club Limited.

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

Director

Director

Dated 28 August 2018

Newcastle Leagues Club Limited

ABN 34 000 140 750

Summary Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
Bar sales		466,442	515,703
Less: Bar cost of goods sold		(167,182)	(190,179)
Catering sales		171,004	240,550
Less: Catering cost of goods sold		(103,284)	(146,070)
Gross profit		366,980	420,004
Poker machine net clearances		796,165	955,281
Gaming commissions		95,861	47,015
Raffles and bingo income		30,772	42,552
Other income	2	114,167	53,845
Finance costs		(9,480)	(13,358)
Bar trading expenses		(164,341)	(175,102)
Catering trading expenses		(136,898)	(141,322)
Poker machine trading expenses		(99,807)	(108,974)
Gaming commission expenses		(134,537)	(140,549)
Raffle and bingo expenses		(56,269)	(63,936)
Occupancy expenses		(236,723)	(242,761)
Club promotion and entertainment expenses		(57,247)	(57,718)
Depreciation of property, plant and equipment		(148,642)	(151,599)
Administrative expenses		(363,721)	(370,907)
Profit / (loss) before income tax		(3,720)	52,471
Income tax expense/(benefit)		1,775	(729)
Profit / (loss) after income tax		(5,495)	53,200
Other comprehensive income for the year		-	-
Total comprehensive income / (loss) for the year		(5,495)	53,200

The accompanying notes form part of these financial statements.

Newcastle Leagues Club Limited

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Summary Statement of Financial Position

As At 30 June 2018

	2018 \$	2017 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	301,463	247,635
Trade and other receivables	534	7,470
Inventories	14,468	17,726
Other assets	16,476	58,598
TOTAL CURRENT ASSETS	332,941	331,429
NON-CURRENT ASSETS		
Property, plant and equipment	1,385,753	1,490,988
Deferred tax assets	3,468	5,364
TOTAL NON-CURRENT ASSETS	1,389,221	1,496,352
TOTAL ASSETS	1,722,162	1,827,781
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	82,834	97,804
Short-term borrowings	53,533	89,787
Short-term provisions	49,925	64,985
TOTAL CURRENT LIABILITIES	186,292	252,576
NON-CURRENT LIABILITIES		
Long-term borrowings	69,126	88,875
Deferred tax liabilities	-	121
Long-term provisions	10,677	24,647
TOTAL NON-CURRENT LIABILITIES	79,803	113,643
TOTAL LIABILITIES	266,095	366,219
NET ASSETS	1,456,067	1,461,562
EQUITY		
Retained Earnings	1,456,067	1,461,562
TOTAL EQUITY	1,456,067	1,461,562

The accompanying notes form part of these financial statements.

Newcastle Leagues Club Limited

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Summary Statement of Changes in Equity For the Year Ended 30 June 2018

2018

	Retained Earnings
	\$
Balance at 1 July 2017	1,461,562
Profit / (loss) attributable to members	<u>(5,495)</u>
Balance at 30 June 2018	<u><u>1,456,067</u></u>

2017

	Retained Earnings
	\$
Balance at 1 July 2016	1,408,362
Profit / (loss) attributable to members	<u>53,200</u>
Balance at 30 June 2017	<u><u>1,461,562</u></u>

The accompanying notes form part of these financial statements.

Newcastle Leagues Club Limited

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Summary Statement of Cash Flows For the Year Ended 30 June 2018

	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,831,497	2,015,494
Payments to suppliers and employees	(1,670,676)	(1,876,305)
Interest received	1,897	1,089
Interest paid	(9,480)	(13,358)
Net cash provided by (used in) operating activities	153,238	126,920
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(43,407)	(53,045)
Net cash used by investing activities	(43,407)	(53,045)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	-	78,097
Repayment of borrowings	(92,265)	(135,238)
Net cash used by financing activities	(92,265)	(57,141)
Net increase (decrease) in cash and cash equivalents held	17,566	16,734
Cash and cash equivalents at beginning of year	247,635	230,901
Cash and cash equivalents at end of financial year	265,201	247,635

The accompanying notes form part of these financial statements.

Newcastle Leagues Club Limited

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Notes to the Summary Financial Statements For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The summary financial statements have been prepared from the audited financial statements of Newcastle Leagues Club Limited for the year ended 30 June 2018. The audited report for the year ended 30 June 2018 is available at request from Newcastle Leagues 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 Newcastle Leagues 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 Newcastle Leagues Club Limited as the full financial statements.

The accounting policies have been consistently applied to Newcastle Leagues 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
	\$	\$
Operating activities		
- Revenue - trading	1,560,244	1,801,101
Other Revenue from Ordinary Activities		
- Interest received	1,897	1,089
- Members subscriptions	6,229	5,948
- Rebate for GST on poker machine duty	17,180	17,180
- Other income	52,651	-
- Room hire	19,969	10,993
- Commissions received	16,514	18,635
	114,167	53,845
Total Revenue	1,674,411	1,854,946

3 Result for the Year

Significant items

Recovery of overpaid poker machine duty	46,715	-
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Newcastle Leagues Club Limited

ABN 34 000 140 750

Discussion and Analysis of the Summary Financial Statements For the Year Ended 30 June 2018

Information on Newcastle Leagues Club Limited Summary Financial Statements

The financial statements, disclosures and discussion and analysis in the summary financial statements have been derived from the 2018 financial statements of Newcastle Leagues 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 Club has reported a loss result for 2018 of \$5,495 compared to a profit in 2017 of \$53,200.

The 2018 result includes a refund of poker machine duty from prior years of \$46,715. Without this, the club would have reported a loss of \$52,210.

The Club has seen a significant decrease in total revenue this year of \$227k (excluding the recovery of overpaid poker machine duty). Bar and catering revenue are down for the year however a \$159k decrease in poker machine revenue has had the most significant impact.

The Club has been able to decrease its expenditure slightly this year with reductions in bar, poker machine and raffle expenses.

The EBITDA result has decreased on 2017 with EBITDA as a percentage of revenue now at 6.50% compared to 11.66%.

Summary Statement of Financial Position

Assets

Total assets decreased by \$105,619 to \$1,722,162 representing a decrease of 5.78%. This decrease is mainly reflected in the following balances:

- Decrease in property, plant and equipment due to depreciation (\$148,642) exceeding asset additions (\$43,407) during the year;
- Decrease in other current assets due to timing of prepayment for club insurance.

All other assets have remained relatively comparable to the previous year balances.

Liabilities

Total liabilities decreased by \$100,124 to \$266,095 representing a decrease of 27.34%. This decrease is mainly reflected in the following balances:

- Decrease in short and long term borrowings due to continued repayments of existing debt and no new debt;
- Decrease in employee leave provisions due to departure of staff who previously had large accrued balances.

All other liabilities have remained relatively comparable to the previous year balances.

Newcastle Leagues Club Limited

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Discussion and Analysis of the Summary Financial Statements For the Year Ended 30 June 2018

Summary Statement of Changes in Equity

The equity of the Club has decreased entirely due to the reported loss amount of \$5,495 in 2018.

Summary Statement of Cash Flows

Operating Activities

Operating cash flows have increased from last year as a result of the greater decrease in payments to suppliers and employees this year compared to the decrease in receipts from customers.

Investing Activities

This balance relates to capital purchases made by the Club this year and is down on last year.

Financing Activities

Financing cash flows is negative this year due to repayment of existing borrowings of \$92,265. There were no new borrowings.