

STRATHFIELD RECREATION CLUB LIMITED
ABN 67 000 001 178

FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2019

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STRATHFIELD RECREATION CLUB LIMITED
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STRATHFIELD RECREATION CLUB LIMITED
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TRADING STATEMENT
FOR THE PERIOD 1 OCTOBER 2018 TO 31 MARCH 2019

	Note	Mar 19	Mar 18
		\$	\$
SALES			
Sales		2,458,354	2,643,413
LESS COST OF GOODS SOLD			
Purchases		281,071	364,347
Poker machine taxes		253,458	281,389
Member points		-	6,664
Machine fees and stationery		8,561	3,331
Repairs and maintenance		82,213	36,049
Membership cards		717	-
Management fees		31,215	32,025
		<u>657,235</u>	<u>723,805</u>
GROSS PROFIT		<u>1,801,119</u>	<u>1,919,608</u>

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with the attached compilation report.

STRATHFIELD RECREATION CLUB LIMITED
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PROFIT AND LOSS STATEMENT
FOR THE PERIOD 1 OCTOBER 2018 TO 31 MARCH 2019

	Note	Mar 19 \$	Mar 18 \$
INCOME			
Interest received		6,724	18,698
Rental income		20,054	37,590
Sundry income		13,614	36,559
Court hire		96,885	77,820
Coaching		-	545
Subscriptions - house		18,622	3,162
Subscriptions - tennis		44,017	37,960
Gaming GST rebate		-	17,180
Gross profit from trading		<u>1,801,119</u>	<u>1,919,608</u>
		<u>2,001,035</u>	<u>2,149,122</u>
LESS EXPENDITURE			
Accountancy fees		13,200	13,200
Advertising		3,244	70
Amortisation		60,000	60,000
Auditors' remuneration		11,541	11,830
Booking System		2,374	2,315
Bank charges		47,293	17,526
Borrowing expenses		652	307
Catering		4,494	2,357
Client meetings		-	695
Cleaning		70,387	46,665
Computer expense		17,142	10,960
Community support		86,400	76,500
Depreciation - property improvements		13,747	17,618
Depreciation - poker machines		79,556	55,833
Depreciation - computer equipment		5,658	3,425
Depreciation - furniture and fittings		10,562	15,807
Depreciation - golden goal equipment		16,817	14,934
Electricity		45,852	30,256
Employees entitlement		3,081	14,195
Entertainment expenses		-	26,643
Equipment		44,604	4,229
Event and function cost		8,217	3,105
Filing fees		274	943
General expenses		11,876	12,849
Insurance		34,545	34,318
Interest paid		29,439	3,259
Leasing charges		81,604	40,720
Legal costs		4,114	1,822
Licensing fees		192	406
Pest control		1,350	1,200
Postage		664	1,699
Printing and stationery		8,630	1,939
Professional fees		4,350	2,150

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PROFIT AND LOSS STATEMENT
FOR THE PERIOD 1 OCTOBER 2018 TO 31 MARCH 2019

	Note	Mar 19	Mar 18
		\$	\$
Relocation expense		-	889
Repairs and maintenance		54,711	48,950
Salaries and wages		471,957	412,433
Security costs		92,456	89,670
Staff amenities		16,718	34,373
Staff training and welfare		20,819	1,515
Subscriptions		28,860	1,492
Superannuation contributions - employees		37,023	38,597
Telephone		5,012	5,400
Tennis balls, shirts and racquets		6,614	5,475
Travelling expenses		2,991	463
Water		(846)	5,240
Website expenses		1,008	4,071
Worker's insurance		8,256	7,158
		<u>1,467,438</u>	<u>1,185,501</u>
NET OPERATING PROFIT		533,597	963,621
Retained Profits at the beginning of the financial year		<u>8,169,148</u>	<u>7,078,265</u>
TOTAL AVAILABLE FOR APPROPRIATION		<u>8,702,745</u>	<u>8,041,886</u>
RETAINED PROFITS AT THE END OF THE FINANCIAL PERIOD		<u><u>8,702,745</u></u>	<u><u>8,041,886</u></u>

The accompanying notes form part of these financial statements.

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STRATHFIELD RECREATION CLUB LIMITED
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STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Note	Mar 19 \$	Mar 18 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	1,658,156	3,399,326
Trade and other receivables	3	36,081	63,953
Inventories	4	18,948	31,677
Other assets	5	60,746	97,105
TOTAL CURRENT ASSETS		<u>1,773,931</u>	<u>3,592,061</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	31,077,592	24,647,242
Intangible assets	7	891,050	1,011,050
TOTAL NON-CURRENT ASSETS		<u>31,968,642</u>	<u>25,658,292</u>
TOTAL ASSETS		<u><u>33,742,573</u></u>	<u><u>29,250,353</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	173,943	127,482
Borrowings	9	35,626	19,602
Provisions	10	57,044	69,240
Other	11	108,847	86,148
TOTAL CURRENT LIABILITIES		<u>375,460</u>	<u>302,472</u>
NON-CURRENT LIABILITIES			
Borrowings	9	3,748,021	-
Provisions	10	21,201	10,849
TOTAL NON-CURRENT LIABILITIES		<u>3,769,222</u>	<u>10,849</u>
TOTAL LIABILITIES		<u><u>4,144,682</u></u>	<u><u>313,321</u></u>
NET ASSETS		<u><u>29,597,891</u></u>	<u><u>28,937,032</u></u>
EQUITY			
Reserves	12	20,895,146	20,895,146
Retained earnings		8,702,745	8,041,886
TOTAL EQUITY		<u><u>29,597,891</u></u>	<u><u>28,937,032</u></u>

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STRATHFIELD RECREATION CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 OCTOBER 2018 TO 31 MARCH 2019

1 Summary of Significant Accounting Policies

Strathfield Recreation Club Limited is a company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

The director has prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act 2001.

The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the director has determined are appropriate to meet the needs of the member. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

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Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount related to the revalued amount of the asset.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of profit or loss in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

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(c) Investments in Associates

An associate is an entity over which the company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the company's share of net assets of the associate. In addition, the company's share of the profit or loss of the associate is included in the company's profit or loss.

The carrying amount of the investment includes, when applicable, goodwill relating to the associate. Any discount on acquisition, whereby the company's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the company and the associate are eliminated to the extent of the company's interest in the associate.

When the company's share of losses in an associate equals or exceeds its interest in the associate, the company discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Upon the associate subsequently making profits, the company will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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FOR THE PERIOD 1 OCTOBER 2018 TO 31 MARCH 2019

	Mar 19	Mar 18
	\$	\$
2. CASH AND CASH EQUIVALENTS		
Cash on hand	439,672	456,206
Undeposited funds	22,892	32,531
EFTPOS clearing	13,121	11,822
EFTPOS card	300	1,100
Cash at bank	1,182,171	2,897,667
	<u>1,658,156</u>	<u>3,399,326</u>
	<u><u>1,658,156</u></u>	<u><u>3,399,326</u></u>
3. TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	36,081	28,622
Goods and services tax	-	35,331
	<u>36,081</u>	<u>63,953</u>
	<u><u>36,081</u></u>	<u><u>63,953</u></u>
4. INVENTORIES		
CURRENT		
At cost:		
Stock on hand	14,236	23,688
Stock on hand - Tennis items	586	545
Stock on hand - Cleaning materials	119	878
Stock on hand - Cafe	99	842
Stock on hand - Cigarettes	3,908	5,724
	<u>18,948</u>	<u>31,677</u>
	<u><u>18,948</u></u>	<u><u>31,677</u></u>
5. OTHER ASSETS		
CURRENT		
Prepayments	42,391	91,565
Prepaid interest	13,408	-
Prepaid borrowing expenses	4,947	5,540
	<u>60,746</u>	<u>97,105</u>
	<u><u>60,746</u></u>	<u><u>97,105</u></u>

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	Mar 19	Mar 18
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land	20,592,458	20,592,457
Building and improvements	(202,674)	1,667,996
Less accumulated depreciation	(328,772)	(486,727)
	<u>(531,446)</u>	<u>1,181,269</u>
Future property improvements	10,053,794	2,144,356
Total land and buildings	<u>30,114,806</u>	<u>23,918,082</u>
Poker machines	943,073	596,165
Less accumulated depreciation	(299,627)	(152,526)
	<u>643,446</u>	<u>443,639</u>
Computer equipment	55,003	36,472
Less accumulated depreciation	(32,292)	(21,000)
	<u>22,711</u>	<u>15,472</u>
Furniture and fittings	198,513	310,765
Less accumulated depreciation	(105,692)	(181,559)
	<u>92,821</u>	<u>129,206</u>
Golden Goal equipment	286,799	187,054
Less accumulated depreciation	(82,991)	(46,211)
	<u>203,808</u>	<u>140,843</u>
Total plant and equipment	<u>962,786</u>	<u>729,160</u>
Total property, plant and equipment	<u>31,077,592</u>	<u>24,647,242</u>
7. INTANGIBLE ASSETS		
Goodwill	600,000	600,000
Less accumulated amortisation	(180,000)	(60,000)
Net carrying value	<u>420,000</u>	<u>540,000</u>
Fair Value of Poker Machine Entitlements	471,050	471,050
	<u>891,050</u>	<u>1,011,050</u>

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FOR THE PERIOD 1 OCTOBER 2018 TO 31 MARCH 2019

	Mar 19	Mar 18
	\$	\$
8. TRADE AND OTHER PAYABLES		
CURRENT		
Goods and services tax	7,487	-
Trade creditors	148,315	104,041
Withholding taxes payable	11,652	11,730
Superannuation payable	5,877	11,789
ATO integrated client account	-	(78)
Staff Tips	612	-
	173,943	127,482
9. BORROWINGS		
CURRENT		
Rental bonds	6,961	6,960
ISR Insurance premium funding	28,665	12,642
	35,626	19,602
NON-CURRENT		
STG Commerical Bill Facility	3,748,021	-
10. PROVISIONS		
CURRENT		
Provision for holiday pay	48,692	58,927
Provison for leave loading	8,352	10,313
	57,044	69,240
NON-CURRENT		
Provision for long service leave	21,201	10,849
11. OTHER LIABILITIES		
CURRENT		
Accrued charges	1,466	7,500
Income in advance	-	40,052
Subs in advance	38,596	38,596
Unused club cash	68,785	-
	108,847	86,148

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FOR THE PERIOD 1 OCTOBER 2018 TO 31 MARCH 2019

Mar 19
\$

Mar 18
\$

12. RESERVES

(a) Capital Profits Reserve

The capital profits reserve records non-taxable profits on sale of investments.

(b) Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non-current assets. Under certain circumstances dividends can be declared from this reserve.

These notes should be read in conjunction with the attached compilation report.