

**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**

**ACN 000 346 690**

**FINANCIAL STATEMENTS**

**YEAR ENDED 28 FEBRUARY 2018**

## **ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**

### **DIRECTOR'S REPORT YEAR ENDED 28 FEBRUARY 2018**

The Directors present the financial report for the year ended 28 February 2018 and in accordance with a resolution of the directors, report as follows:

#### **DIRECTORS**

The names and qualifications of the Directors of the Company in office at the date of this report are:-

**Glenn Ellis** : Director  
: Management Accountant  
: Member of Club since 28/02/1995  
: Board Member 5 years

**Glenys Ellis** : Director  
: Volunteer Sports Administration  
: Member of Club since 28/02/1995  
: Board Member 7 years

**Dianne Polychrone** : Director  
: Admin Office Support  
: Member of Club since 06/02/2008  
: Board Member 5 years

**Kon Kuskovski** : Director  
: Site Operations Coordinator  
: Member of Club since 04/03/2002  
: Board Member 5 years

**Laurie Barnes** : Director  
: Plumber  
: Member of Club since 21/02/2003  
: Board Member 4 years

**John Stojanovski** : Director  
: Maintenance service  
: Member of Club since 12/12/1995  
: Board Member 3 years

**Zvonko Volar** : Director  
: Retired  
: Member of Club since 19/06/1992  
: Board Member 3 years

**Steven Quinn** : Director  
: Regional Sales Manager  
: Member of Club since 15/04/2011  
: Board Member 2 years

**Justin Bevan** : Director  
: General Manager  
: Member of Club since 07/08/2009  
: Board Member 2 years

**DIRECTORS MEETINGS:**

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial year were:-

	<u>Possible Meetings</u>	<u>Meetings Attended</u>
Glenn Ellis	12	12
Glenys Ellis	12	9
Dianne Polychrone	12	10
Kon Kuskovski	12	5
John Stojanovski	12	10
Laurie Barnes	12	9
Zvonko Volar	12	10
Steven Quinn	12	11
Justin Bevan	12	9

**PRINCIPAL ACTIVITIES:**

The principal activity of the company is that of Licensed Club.

**REVIEW AND RESULTS OF OPERATIONS:**

The Net Profit of the Company for the year was \$258,889 (2017 - \$30,297) after providing Depreciation and amortisation of \$340,470 (2017 - \$346,840).

**DIVIDENDS:**

In accordance with the Club's Constitution no dividend can be paid and, accordingly, no dividend has been paid or recommended to be paid.

**STATE OF AFFAIRS:**

During this financial year there was no other significant change in the state of affairs of the Company other than that referred to elsewhere in this Directors' Report, President's Message, accounts or notes thereto.

**ENVIRONMENTAL REGULATION:**

The Company's operations are subject to various environmental regulations under either Commonwealth or State legislation.

The Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

**EVENTS SUBSEQUENT TO BALANCE DATE:**

No significant events other than that referred to elsewhere in the Directors' Report, Presidents' Message, and Accounts with notes thereto or circumstances that have arisen since the end of the financial year, that has significantly affected or may significantly affect:

- (i) The operations of the Company
- (ii) The results of those operations; or
- (iii) The state of affairs of the Company in financial years subsequent to this financial year.

**LIKELY DEVELOPMENTS:**

The directors do not anticipate any particular development in the operations of the Company which will affect the results in subsequent years.

**SHARES:**

As the Company is a corporation limited by guarantee, there are no shares held by the Directors of the Company.

**DIRECTORS' INTERESTS:**

There are no particulars of Directors' interests in contracts or proposed contracts with the Company, which were disclosed by the Directors in accordance with Section 232A.

**DIRECTORS' BENEFITS:**

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 accounts or the fixed salary of a full-time employee of the company or of a related corporation by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

**DIRECTORS INDEMNITY:**

The company has not, during or since the end of the financial year, in respect of any person who is or has been an Officer or Auditor of the company indemnified or made any relevant agreement for indemnifying against a liability incurred as an Officer including costs and expenses in successfully defending legal proceedings. During the financial year, the company has not paid premiums to insure Directors and Officers against liabilities for costs and expenses incurred by them in successfully defending any legal proceedings arising out of their conduct while acting in the capacity of Director or Officer of the company other than conduct involving a wilful breach of duty in relation to the company.

## **REGISTERED CLUBS ACT ANNUAL REPORTING REQUIREMENTS**

The following information provided to members is in the format approved by the Department of Gaming and Racing. Members may inspect the originals of these disclosures by making a written application to the secretary.

### **TOP EXECUTIVE REMUNERATION**

Remuneration received or due and receivable by top executive officers of the company and any related parties for management of affairs of the company whose remuneration is greater than \$100,000. The number of executives whose income was within the following bands;

	2018	2017
\$100,000 - \$110,000	1	1

### **DISCLOSURE OF INTEREST OF DIRECTORS AND EMPLOYEES IN CONTRACTS WITH THE CLUB**

In the reporting period, there was no occasion when directors or employees reported a material interest in a matter that related to the affairs of the Club.

### **DIRECTOR AND EMPLOYEE INTEREST IN HOTELS**

In the reporting period, there were no directors or top executives who had a financial interest in a hotel.

### **GIFTS TO DIRECTORS AND EMPLOYEES**

In the reporting period, there were no occasions when directors, top executives, or employees of the club reported receiving gifts from affiliated bodies or contractors.

### **DETAILS OF OVERSEAS TRAVEL**

In the reporting period there were no occasions when directors or employees of the club received any overseas travel.

### **LOANS TO STAFF**

In the reporting period, no loan to staff has been provided.

### **CONTRACTS APPROVED BY THE BOARD**

In the reporting period, no controlled contracts have been approved by the Board where a Director or Top Executive has a pecuniary interest.

EMPLOYEES RELATED TO DIRECTORS AND TOP EXECUTIVES

In the reporting period, there were no employees related to directors and top executives.

SETTLEMENTS PAID BY THE CLUB

In the reporting period, the club made no legal settlements with either a director or club employee.

LEGAL FEES PAID BY THE CLUB

In the reporting period, there were no instances when the club paid legal fees on behalf of a director or club employee.

GAMING MACHINE PROFIT

The combined gaming machine profit for the period ending 28 February 2018 was \$1,878,359 (2017- Profit \$1,748,984).

**Please note that this amount is profit before State Duties and all other gaming related expenditure.**

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is attached.

For and on behalf of the Board  
(and in accordance with its resolution)

DIRECTOR.....  
**Glenn Ellis**

Signed at Arncliffe this 19th day of July 2018.

**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**DIRECTORS' DECLARATION**  
**YEAR ENDED 28 FEBRUARY 2018**

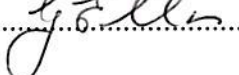
In the opinion of the Directors:-

(a) The Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Cash Flow Statement, Statement of Changes in Equity/Fund and Notes to and forming part of Financial Statements:

- (i) give a true and fair view of the financial position of the Company as at 28 February 2018 and of its performance as represented by the results of its operations and its cash flows, for the year ended on that date; and
- (ii) complying with Accounting Standards and the Corporations Regulations 2001; and

(b) As at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

For and on behalf of the Board  
(and in accordance with its resolution)

DIRECTOR.....  
**Glenn Ellis**

Signed at Arncliffe this 19<sup>th</sup> day of July 2018.

## AUDITOR'S INDEPENDENCE DECLARATION

**To: the Committee of Arncliffe Scots Sports & Social Club Limited**

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial year ended 28 February 2018, there have been:

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

  
**Greg Thompson**

Sydney 25<sup>th</sup> day of June 2018

### Darwin

Unit 5, 16 Charlton Court  
Woolner NT 0820

### Sydney

PO Box 70  
Miranda NSW 2228

### Wollongong

Level 2, 1 Rawson Street  
Wollongong NSW 2500

### Enquiry

 [gthompson@thompsonsaustralia.com.au](mailto:gthompson@thompsonsaustralia.com.au)  
 0408 274 443  
ABN 68 869 147 675



## INDEPENDENT AUDITOR'S REPORT

To: the Members of Arncliffe Scots Sports & Social Club Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Arncliffe Scots Sports & Social Club Limited, which comprises the statement of financial position as at 28 February 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entity's declaration.

In our opinion the financial report of Arncliffe Scots Sports & Social Club Limited has been prepared in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the registered entity's financial position as at 28 February 2018 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Other Information

The responsible entity is responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 28 February 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

- 1 -

#### Sydney

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Responsible Entity for the Financial Report**

The responsible entity of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as the responsible entity determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entity is responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entity either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The responsible entity is responsible for overseeing the registered entity's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entity.
- Conclude on the appropriateness of the responsible entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the responsible entity regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit.



.....

Greg Thompson

Date: 20<sup>th</sup> day of July 2018

PO Box 70  
Miranda NSW 2228

**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 28 FEBRUARY 2018**

	Note	2018 \$	2017 \$
<b>Continuing Operations</b>			
Revenue from sale of goods	2 (a)	459,711	477,774
Revenue from rendering of services	2 (a)	2,140,638	2,007,405
Other revenue from ordinary activities	2 (a)	29,731	13,640
<b>Total revenue</b>		<b>2,630,080</b>	<b>2,498,819</b>
Cost of goods sold		(218,163)	(221,919)
Poker machine duty		(310,579)	(272,079)
Employment expenses		(567,827)	(529,183)
Social & promotion expenses		(324,609)	(326,144)
Occupancy expenses		(102,784)	(95,136)
Repairs & maintenance		(122,020)	(79,761)
Sporting Grants		(5,000)	(8,000)
Insurance		(74,989)	(77,509)
Cleaning		(58,952)	(13,810)
Other expenses		(245,786)	(498,123)
<b>Total Expenditure</b>		<b>(2,030,709)</b>	<b>(2,121,665)</b>
<b>Earnings before interest, depreciation and tax</b>		<b>599,371</b>	<b>377,154</b>
Depreciation and amortisation	3(a)	(340,470)	(346,840)
Interest paid	3(a)	(12)	(17)
<b>Profit /(Loss) before tax</b>		<b>258,889</b>	<b>30,297</b>
Income tax expense		-	-
<b>Net profit (loss) for the year</b>		<b>258,889</b>	<b>30,297</b>
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income for the year</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income attributable to:</b>			
Members of the Company	13	<b>258,889</b>	<b>30,297</b>

The Income Statement is to be read in conjunction with the notes to the financial statements

**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 28 FEBRUARY 2018**

	Notes	2018 \$	2017 \$
<b>Current assets</b>			
Cash and Cash Equivalents	6	1,123,728	698,408
Inventories	7	26,889	28,604
Other current assets	8	47,457	100,804
<b>Total current assets</b>		<b>1,198,074</b>	<b>827,816</b>
<b>Non current assets</b>			
Property, plant and equipment	9	7,206,927	7,415,967
<b>Total non current assets</b>		<b>7,206,927</b>	<b>7,415,967</b>
<b>TOTAL ASSETS</b>		<b>8,405,001</b>	<b>8,243,783</b>
<b>Current liabilities</b>			
Trade and other payables	10	138,912	255,244
Provisions	11	35,814	31,656
Other current liabilities	12	34,419	27,066
<b>Total current liabilities</b>		<b>209,144</b>	<b>313,967</b>
<b>Non current liabilities</b>			
Provisions	11	9,495	2,343
<b>Total non current liabilities</b>		<b>9,495</b>	<b>2,343</b>
<b>TOTAL LIABILITIES</b>		<b>218,639</b>	<b>316,310</b>
<b>NET ASSETS</b>		<b>8,186,362</b>	<b>7,927,473</b>
<b>MEMBERS' FUND</b>			
Retained Earnings (Fund)		6,589,970	6,331,081
Assets Revaluation Reserve		1,596,392	1,596,392
<b>TOTAL FUNDS ATTRIBUTABLE TO THE MEMBERS OF THE COMPANY</b>	13	<b>8,186,362</b>	<b>7,927,473</b>

The Balance Sheet is to be read in conjunction with the notes to the financial statements

**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 28 FEBRUARY 2018**

	Notes	Assets Revaluation Reserve \$	Retained Earnings \$	Total Attributable to the members \$
<b>Balance at 1st March 2017</b>		1,596,392	6,331,081	7,927,473
Net Profit/(Loss) for the year			258,889	258,889
Other Comprehensive Income for the year		-	-	-
<b>Balance at 28th February 2018</b>	<b>13</b>	<b>1,596,392</b>	<b>6,589,970</b>	<b>8,186,362</b>

The statement of changes in equity is to be read in conjunction with the notes to the financial statements

**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED 28 FEBRUARY 2018**

	Note	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations (net)		2,600,349	2,485,179
Cash payments in the course of operations (net)		(2,073,330)	(2,137,051)
<b>Net cash provided by operating activities</b>	19	527,020	348,128
<b>Cash flows from investing activities</b>			
Payments for Property, Plant & Equipment	9	(131,430)	(87,681)
Proceeds from sale of non-current assets	3(b)	29,730	13,640
<b>Net cash used in investing activities</b>		(101,700)	(74,041)
<b>Cash flows from financing activities</b>			
<b>Net cash provided by (used in) financing activities</b>		-	-
<b>Net increase/(decrease) in cash held</b>		425,320	274,088
<b>Cash and Cash equivalents at the beginning of the financial year</b>	5	698,408	424,321
<b>Cash and Cash equivalents at the end of the financial year</b>	5	1,123,728	698,408

The cash flow statement is to be read in conjunction with the notes to the financial statements

**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2018**

**1 Statement of significant accounting policies**

The financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards- Reduced Disclosure Requirements, the Corporations Act 2001 and the Gaming Machine Tax Act 2001.

Arncliffe Scots Sports & Social Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Accounting Standards and Interpretations most relevant to the company are:

*AASB 1053 Application of Tiers of Australian Accounting Standards*

This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements, being Tier 1 Australian Accounting Standards and Tier 2 Australian Accounting Standards – Reduced Disclosure Requirements. The company being classified as Tier 2 continues to apply the full recognition and measurement requirement of Australian Accounting Standards with substantially reduced disclosure in accordance with AASB 2010-2 and later amending standards as relevant.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**Basis of Preparation**

The financial report has been prepared on an accruals basis and is based on historical costs and except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values of assets as explained in the accounting policies below.

The financial report is presented in Australian Dollars which is the Company's functional and presentation currency.

The financial report was authorised for issue on 19<sup>th</sup> July 2018, in accordance with a resolution of the Directors. The Directors have power to amend and reissue the financial report.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Company.

**New, Revised or Amending Accounting Standards and Interpretations Adopted:**

The Company has adopted all of the new, revised and amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The Company has adopted AASB 1053 'Application of Tiers of Australian Accounting Standards and AASB 2010-2' Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements' and later amending statements. No other new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have been adopted. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.



**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2018**

**1 Statement of significant accounting policies (continued)**

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report:

**Going concern:**

The annual report has been prepared on the going concern basis, which assumes continuity of the normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of the business. The following factors are relevant in considering the ability of the company to continue as a going concern:

- For the year ended 28 February 2018, the company has operating cash profit of \$582,470.
- Positive cash flow from operating activities of \$527,020.
- There is no borrowings from banks

At the date of the issuance of this report, the Directors are confident that the company will be able to continue as a going concern and accordingly, the financial report has been prepared on a going-concern basis.

**Revenue recognition – Note 2**

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST). Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

***Sales of goods***

Revenue from sales of goods comprises revenue earned from the provision of food, beverage and other goods. Revenue is recognised on the point of delivery as this corresponds to the transfer of significant risks and rewards of the ownership of the goods.

***Rendering of services revenue***

Revenue from rendering of services comprises revenue from gaming facilities together with other services to members and other patrons of the Club and is recognised when the services are provided.

***Interest revenue***

Interest revenue is recognised as it accrues, taking into account the effective interest rate, which, for floating rate financial assets is the rate inherent in the instrument.

***Other income***

Other income is recognised when it is received or when the right to receive payment is established.

***Sale of non-current assets***

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2018**

**1 Statement of significant accounting policies (continued)**

**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 taxation authority. 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 taxation authority is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

**Borrowing /Finance costs**

Borrowing /finance costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges.

Borrowing /finance costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than 12 months to get ready for their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of the assets. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs capitalised are those incurred in relation to that borrowing, net of any interest earned on those borrowings.

Where funds are borrowed generally, borrowing costs are capitalised using a weighted average capitalisation rate.

**Impairment of Assets**

Non financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value off the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash generating unit.

**Intangible Assets**

Poker machine licenses are valued in the accounts at cost of acquisition. Poker machine licenses are not amortised as these licenses have an indefinite life for which market value exceeds original cost. The balance is reviewed annually and any balance representing future benefits for which the realisation is considered to be no longer probable is written off.

**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2018**

**1 Statement of significant accounting policies (continued)**

**Property, Plant and Equipment**

All assets acquired including property, plant and equipment and intangibles other than goodwill are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Freehold land has a value significantly in excess of cost. Freehold land has been stated at revalued amount based on the value as determined by the Directors at the end of reporting period.

Expenditure is only recognised as an asset when the entity controls future economic benefits as a result of the costs incurred, that are probable and can be measured reliably. Costs attributable to feasibility and alternative approach assessments are expensed as incurred.

***Subsequent additional costs***

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the Company in future years, otherwise expensed as incurred.

**Depreciation and amortisation**

***Useful lives***

All non-current assets have limited useful lives and are depreciated/amortised using the straight line method or diminishing value methods over their estimated useful lives.

Assets are depreciated or amortised from the date of acquisition.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only.

The depreciation/amortisation rates used for each class of asset are as follows:

	<b>2018</b>	<b>2017</b>
<i>Property, plant and equipment</i>		
Plant and equipment – poker machines	20%	20%
Plant and equipment – other	10-20%	10-20%
Plant and equipment – computers	25%	25%
Plant and equipment – computer software	40%	40%

The assets which are no longer usable, as identified by the management, being old and due to renovation of the main building, have been written off in the accounts.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2018**

**1 Statement of significant accounting policies (continued)**

**Trade Receivables – Note 7**

Trade receivables represent the principal amounts due at balance date less provision for doubtful amounts. The collectability of debts is assessed at reporting date and specific provision is made for any doubtful accounts. Trade receivables are usually settled within 60 days.

**Inventories – Note 8**

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

**Trade and Other Payables – Note 11**

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 60 days.

**Employee entitlements – Note 13**

*Wages, salaries, annual leave and sick leave*

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits 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 flows to be made for those benefits.

Liabilities for employee's sick leave are recognised when the leave is taken and measured at the rate paid or payable.

The provision for employee benefits relating to long service leave represents the present value of estimated future cash outflows to be made resulting from employee's service provided to reporting date. The provision is calculated for eligible employees who have completed five years of services, using expected future increases in wages and salary rates including related on costs and expected settlements dates based on turnover history and is discounted using the rates attaching to national government bonds at reporting date which most closely match the terms of maturity of the related liabilities. The unwinding of the discount is treated as long service leave expense.

*Superannuation plan*

The Company contributes to an employee superannuation fund. Contributions are charged against income as they are made. The Company has no legal or constructive obligations to the fund for any deficit.

**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2018**

**1 Statement of significant accounting policies (continued)**

**Financial Assets**

The Company classifies its financial assets in the following categories: loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

**(i) Loans and receivables**

Trade receivables, loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. They arise when the Company provides money, goods or services directly to a debtor with no intention of selling the receivable.

They are included in current assets, except for those with maturities greater than 12 months after the Statement of Financial Position date which are classified as non-current assets. Loans and receivables are included in receivables in the Statement of Financial Position

**(ii) Available for sale financial assets**

Available for sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

All financial assets are recognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available for sale are recognised in equity in the fair value revaluation reserve. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments are included in the profit or loss as gains and losses from investment securities.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available for sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss – is removed from available for sale investments revaluation reserve and recognised in the profit or loss. Impairment losses recognised in the profit or loss on equity instruments are not reversed

**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2018**

**1 Statement of significant accounting policies (continued)**

through profit or loss. Available for sale financial assets are included in receivables in the Statement of Financial Position

**(iii) Held to Maturity Investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the entity has the positive intention and ability to hold-to-maturity and are measured at amortised cost subsequent to initial recognition using the effective interest method. If the entity were to sell other than an insignificant amount of held-to-maturity investments, the whole category is then reclassified as available-for-sale.

Impairment losses are measured as the difference between the investment's carrying amount and the present value of the estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the investment's original effective interest rate. Impairment losses are recognised in profit or loss.

**Financial Liabilities**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of borrowings using the effective interest method.

Borrowings are classified as non-current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

**Fair Value Estimation**

The fair value of financial assets and financial liabilities are estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets such as trading and available for sale securities is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Company is the current bid price.

The carrying value of trade receivables and payables are assumed to approximate their fair value due to their short term nature.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar liabilities.

**Revisions of accounting estimates**

Revisions to accounting estimates are recognised prospectively in current and future periods only.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>2. Revenue</b>		
<b><i>(a) From operating activities</i></b>		
Sale of goods revenue from operating activities	459,711	477,774
Rendering of services revenue from operating activities	2,140,638	2,007,405
	<hr/>	<hr/>
Profit/(Loss) from sale of non-current assets	29,731	13,640
	<hr/>	<hr/>
Total other revenues	29,731	13,640
	<hr/>	<hr/>
<b>Total revenue from ordinary activities</b>	<b><u>2,630,080</u></b>	<b><u>2,498,819</u></b>

**3. Profit from ordinary activities before income tax expense**

**(a) Profit from ordinary activities before income tax expense has been arrived at after charging/(crediting) the following items:**

Borrowing costs including interest:	<hr/> <u>12</u>	<hr/> <u>17</u>
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**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>3. Profit from ordinary activities before income tax expense (continued)</b>		
<b>(a) Profit from ordinary activities before income tax expense has been arrived at after charging/(crediting) the following items:</b>		
Depreciation of:		
Plant and equipment	151,746	158,117
Buildings & Improvements	188,724	188,724
Total depreciation	340,470	346,840
Net expense from movements in provision for:		
employee entitlements	11,309	7,757
<b>(b) Profit before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity</b>		
Revenue from sale of plant and equipment	29,731	13,640
Profit (Loss) on sale of plant and equipment	29,731	13,640
<b>4. Auditor's remuneration</b>		
<u>Audit services:</u>		
Auditors of the company	6,000	7,250
<b>5. Income Tax</b>		
No provision for income tax has been made due to the accumulated losses brought forward from prior years and no tax effect accounting has been applied due to the going concern issues outlined in Note 1(a) of this report. The company is in process of filing income tax returns.		
<b>6. Cash and Cash Equivalents</b>		
Cash on Hand	82,500	82,500
Clearing Accounts	18,696	13,549
Cash at Bank	1,022,532	602,359
	1,123,728	698,408



**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>7. Inventories</b>		
Finished goods - at cost	26,889	28,604
<b>8. Other Assets</b>		
<b>Current</b>		
Deposits, Security Bonds and other	23,542	23,542
Prepayments	15,325	68,672
Accrued Income	8,590	8,590
	47,457	100,804
<b>9. Property, plant &amp; equipment</b>		
<b>Freehold land &amp; Buildings</b>		
29 Burrows Street, Arncliffe	7,548,941	7,548,941
Less: Accumulated Depreciation	(2,556,406)	(2,367,683)
	4,992,534	5,181,258
Freehold land - Revalued	1,550,000	1,550,000
<b>Total Freehold Land and Building</b>	<b>6,542,534</b>	<b>6,731,258</b>
<b>Depreciable Plant</b>		
Poker Machines (at Cost)	2,868,925	2,872,743
Less: Accumulated Depreciation	(2,372,193)	(2,359,458)
	496,732	513,285
Plant, Fixtures & Fittings, Vehicles	1,343,684	1,310,436
Less: Accumulated Depreciation	(1,176,024)	(1,139,013)
	167,660	171,423
<b>Total Plant &amp; Equipment</b>	<b>664,392</b>	<b>684,709</b>
<b>Total Property Plant &amp; Equipment</b>	<b>7,206,927</b>	<b>7,415,967</b>

<b>ARNCLIFFE SCOTS SPORTS &amp; SOCIAL CLUB LIMITED</b>			
<b>NOTES TO THE FINANCIAL STATEMENTS</b>			
<b>FOR THE YEAR ENDED 28 FEBRUARY 2018</b>			
	<b>2018</b>		<b>2017</b>
	<b>\$</b>		<b>\$</b>
<b>9. Property, plant &amp; equipment (cont)</b>			
Reconciliations of the carrying amounts for each class of property plant and equipments are set out below:			
<i><b>Freehold land &amp; Buildings</b></i>			
Carrying amount at beginning of year	6,731,258		6,919,982
Depreciation	(188,724)		(188,724)
Carrying amount at end of year	<b>6,542,534</b>		<b>6,731,258</b>
<i><b>Depreciable plant</b></i>			
Carrying amount at beginning of year	684,709		755,145
Additions	131,430		87,681
Depreciation /adjustments	(151,746)		(158,117)
Carrying amount at end of year	<b>664,392</b>		<b>684,709</b>

**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>10. Trade and Other Payables</b>		
<b>Current</b>		
Trade creditors	28,767	138,985
Other creditors and accruals	110,144	116,260
	<u><b>138,912</b></u>	<u><b>255,244</b></u>
<b>11. Provisions</b>		
<b>Current</b>		
Employee benefits/ entitlements	35,814	31,656
<b>Non current</b>		
Employee benefits/ entitlements	9,495	2,343
<b>12. Other liabilities</b>		
<b>Current</b>		
GST Liabilities	34,419	27,066
Total	<u><b>34,419</b></u>	<u><b>27,066</b></u>
<b>13. Retained Earnings (FUND)</b>		
Retained earnings (fund) at beginning of year	6,331,080	6,300,783
Net (loss)/ profit for the year	258,889	30,297
	<u><b>6,589,969</b></u>	<u><b>6,331,080</b></u>
<b>Asset revaluation reserve</b>		
Reserve at the beginning of the year	1,596,392	1,596,392
Reserve at the end of the year	<u><b>1,596,392</b></u>	<u><b>1,596,392</b></u>

**14. Directors Remuneration**

The directors did not receive any remuneration

**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>

**15. Financial Reporting by Segments**

The company operates in one industry, the principal activity being that of a Licensed Club.

**16. Company Limited by Guarantee**

Arncliffe Scots Sports & Social Club Limited is a company limited by Guarantee with the liability of the members limited to \$4 as set out in the Company's Memorandum and Articles of Association. Membership numbers as at 28 February 2018 were 1211 (Previous year : 1849).

**17. Related Parties**

**Directors**

The names of the directors who have held office during the financial year are:-

Glenn Ellis, Glenys Ellis, Dianne Polychrone, Kon Kuskovski, Laurie Barnes, John Stojanovski, Zvonko Volar, Steve Quinn and Justin Bevan

From time to time Directors of the company may transact business or use the facilities of the company. These transactions and use are on the same terms and conditions as those of other members and customers.

	<b>\$</b>	<b>\$</b>
Income received or due and receivable by all directors from the company:	Nil	Nil
Retirement and Superannuation Payments: Amounts paid to directors on retirement from office or to prescribed superannuation funds for provisions of retirement benefits for directors.	Nil	Nil
Loans to Directors: Loans to directors and director related entities	Nil	Nil

**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2018**

**20. Notes to the statement of cash flows**

	Note	2018 \$	2017 \$
<b>Reconciliation of operating profit after income tax to net cash provided by operating activities</b>			
Cash and Bank Balance - Note 6		1,123,728	698,408
Cash as at the end of the financial year as shown in the statement of Cash Flow is reconciled to the related items in the Statement of Financial Position as follows:			
Cash and Cash equivalents		1,123,728	698,408
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown the Statement of Cash Flow as follows:			
Balance as above		1,123,728	698,408
<b>Reconciliation of Operating Profit after Income Tax to net cash provided by operating activities</b>			
Profit (loss) after income tax		258,889	30,297
Non Cash Flows in operating Profit			
Depreciation		340,470	346,840
Investing/Financing Activities			
(Profit) Loss on Disposal of Assets	3(b)	(29,731)	(13,640)
Interest Received	2	-	-
Changes in assets and liabilities			
Decrease (Increase) in Receivables		-	-
Decrease (Increase) in Prepayments	8	53,347	(66,223)
Decrease (Increase) in Inventories	7	1,715	(6,578)
Increase (Decrease) in Payables		(116,332)	39,603
Increase (Decrease) in Other Current liabilities		7,352	10,073
Increase (Decrease) in Employee Entitlements	11	11,309	7,757
Net Cash provided by Operating Activities		527,020	348,128

**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**STATEMENT OF FINANCIAL PERFORMANCE - DETAILED**  
**FOR THE YEAR ENDED 28 FEBRUARY 2018**

	<b>2018</b>	<b>2017</b>
<b><u>REVENUE FROM SALES OF GOODS</u></b>		
Bar Sales	434,112	442,064
Function Sales	25,599	35,710
	<u>459,711</u>	<u>477,774</u>
<b><u>RENDERING SERVICES</u></b>		
Net Poker Machine Revenue	1,878,359	1,748,984
Keno Commission	23,928	26,103
Raffle Revenue	167,326	172,449
TAB Gross Commission	29,492	29,465
Member Subscriptions	1,219	1,294
Other Income	23,134	11,931
Other Commissions	17,180	17,180
Profit/(Loss) on Sale of Non-Current Assets	29,731	13,640
	<u>2,170,369</u>	<u>2,021,045</u>
<b><u>COGS</u></b>		
Bar Cost of Goods	218,163	221,919
	<u>218,163</u>	<u>221,919</u>
<b>NET Income</b>	<b>2,411,917</b>	<b>2,276,900</b>
<b><u>OCCUPANCY COSTS</u></b>		
Light & Power	82,211	75,416
Rates & Taxes	11,735	11,540
Telephone	8,838	8,180
	<u>102,784</u>	<u>95,136</u>
<b><u>EMPLOYEE EXPENSES</u></b>		
Salaries & Expenses	508,986	470,312
Employee Entitlements	11,309	7,757
Superannuation	46,074	50,439
Uniforms	1,458	675
	<u>567,827</u>	<u>529,183</u>

**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**STATEMENT OF FINANCIAL PERFORMANCE - DETAILED**  
**FOR THE YEAR ENDED 28 FEBRUARY 2018**

	<b>2018</b>	<b>2017</b>
<b><u>SOCIAL &amp; PROMOTION EXPENSES</u></b>		
TAB Promotions	4,983	4,680
Advertising	1,450	3,229
Club Promotions	100	2,340
Raffle	301,590	297,710
Poker Machine Promotions	16,485	18,186
	<b>324,609</b>	<b>326,144</b>
<b><u>REPAIRS &amp; MAINTENANCE</u></b>		
Poker Machine Maintenance	64,729	51,567
Bar Expenses & Replacements	621	356
Keno Maintenance	763	763
Repairs & Maintenance	55,907	27,075
	<b>122,020</b>	<b>79,761</b>
<b><u>SPORTING EXPENSES</u></b>		
Sporting Grants	5,000	8,000
	<b>5,000</b>	<b>8,000</b>
<b><u>DEPRECIATION/ AMORTISATION</u></b>		
Poker Machine Depreciation	114,735	119,888
Depreciation – Buildings	188,724	188,724
Depreciation – Plant and Equipment	37,011	38,228
	<b>340,470</b>	<b>346,840</b>

**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**STATEMENT OF FINANCIAL PERFORMANCE - DETAILED**  
**FOR THE YEAR ENDED 28 FEBRUARY 2018**

	<b>2018</b>	<b>2017</b>
<b>OTHER EXPENSES</b>		
Bar Sundry Expenses	3,796	2,899
TAB Other Expenses	5,846	7,245
Accountancy	5,000	7,972
Administration & Bookkeeping	17,129	20,821
Auditors Remuneration - Audit Fees	6,000	7,250
Bank Fees	1,281	1,569
Cash security	10,035	10,275
Cleaning & Trade waste	58,952	13,810
Computer Software	4,396	5,736
Facilities Management	-	291,966
Filing fees	758	438
General Expenses	11,240	2,467
Insurance	74,989	77,509
Interest paid	12	17
Hire of Plant & Equipment	13,484	13,385
Legal and Consulting Expenses	880	2,313
Other General Expenses	7,551	4,682
Permits & Licences	5,784	3,435
Community Levy	12,373	17,062
Printing, Postage & Stationery	4,994	5,210
Poker Machine Duty and DMS Fees	310,579	272,079
Security	64,599	25,782
Training - Staff	2,810	2,810
Stocktaking fees	8,400	10,400
Subscriptions	59,415	54,406
Transport - Miscellaneous	18	-
<b>Total</b>	<b>690,318</b>	<b>861,538</b>



**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**STATEMENT OF FINANCIAL PERFORMANCE - BY SEGMENT**  
**FOR YEAR ENDED 28 FEBRUARY 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>POKER MACHINES</b>		
Net Poker Machine Revenue	1,878,359	1,748,984
	<u><b>1,878,359</b></u>	<u><b>1,748,984</b></u>
<b>POKER MACHINE EXPENSES</b>		
Poker Machine Duty and DMS Fees	(310,579)	(272,079)
Poker Machine Depreciation	(114,735)	(119,888)
Poker Machine Maintenance	(64,729)	(51,567)
Poker Machine Promotions	(16,485)	(18,186)
	<u><b>(506,529)</b></u>	<u><b>(461,720)</b></u>
<b>NET INCOME - POKER MACHINES</b>	<u><b>1,371,830</b></u>	<u><b>1,287,264</b></u>
<b>BAR TRADING</b>		
Bar Sales	434,112	442,064
Function Sales	25,599	35,710
<u>Less: Bar Cost of Goods Sold</u>		
Bar Opening Stock	28,604	22,026
Bar Purchases	(219,878)	(215,341)
Bar Closing Stock	<u>(26,889)</u>	<u>(28,604)</u>
Bar Cost of Goods	(218,163)	(221,919)
Bar Gross Profit	<u><b>241,548</b></u>	<u><b>255,855</b></u>
<b>BAR EXPENSES</b>		
Bar Expenses & Replacements	(621)	(356)
Bar Sundry Expenses	(3,796)	(2,899)
	<u><b>(4,416)</b></u>	<u><b>(3,254)</b></u>
<b>NET INCOME - BARS</b>	<u><b>237,132</b></u>	<u><b>252,601</b></u>

**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**STATEMENT OF FINANCIAL PERFORMANCE - BY SEGMENT**  
**FOR YEAR ENDED 28 FEBRUARY 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>RAFFLE INCOME</b>		
<b>Raffle Revenue</b>	<b>167,326</b>	<b>172,449</b>
<b>RAFFLE EXPENSES</b>		
Raffle	(301,590)	(297,710)
<b>Total Raffle Expenses</b>	<b>(301,590)</b>	<b>(297,710)</b>
<b>NET INCOME - RAFFLES</b>	<b>(134,264)</b>	<b>(125,261)</b>
<b>COMMISSIONS</b>		
<b>KENO INCOME</b>		
<b>Keno Commission</b>	<b>23,928</b>	<b>26,103</b>
<b>KENO EXPENSES</b>		
Keno Maintenance	(763)	(763)
<b>Total Direct Expenses</b>	<b>(763)</b>	<b>(763)</b>
<b>NET INCOME - CLUB KENO</b>	<b>23,165</b>	<b>25,339</b>
<b>TAB INCOME</b>		
<b>TAB Gross Commission</b>	<b>29,492</b>	<b>29,465</b>
<b>TAB EXPENSES</b>		
TAB Other Expenses	(5,846)	(7,245)
TAB Promotions	(4,983)	(4,680)
<b>Total Direct Expenses</b>	<b>(10,829)</b>	<b>(11,925)</b>
<b>NET INCOME - TAB</b>	<b>18,663</b>	<b>17,540</b>

**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**STATEMENT OF FINANCIAL PERFORMANCE - BY SEGMENT**  
**FOR YEAR ENDED 28 FEBRUARY 2018**

	<b>2018</b>	<b>2017</b>
<b>NET INCOME</b>		
Poker Machines	1,371,830	1,287,264
Bar	237,132	252,601
Club Keno	23,165	25,339
Raffles	(134,264)	(125,261)
TAB	18,663	17,540
Other Commissions	17,180	17,180
Member Subscriptions	1,219	1,294
Other Income	23,134	11,931
Profit/(Loss) on Sale of Non-Current Assets	29,731	13,640
<b>TOTAL NET INCOME</b>	<b>1,587,790</b>	<b>1,501,527</b>

**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**STATEMENT OF FINANCIAL PERFORMANCE - BY SEGMENT**  
**FOR YEAR ENDED 28 FEBRUARY 2018**

**OTHER EXPENSES**

Accountancy	(5,000)	(7,972)
Advertising	(1,450)	(3,229)
Auditors Remuneration - Audit Fees	(6,000)	(7,250)
Administration & Bookkeeping	(17,129)	(20,821)
Bank Fees	(1,281)	(1,569)
Cash Security	(10,035)	(10,275)
Cleaning & Trade waste	(58,952)	(13,810)
Club Promotions	(100)	(2,340)
Computer Software	(4,396)	(5,736)
Employee Entitlements	(11,309)	(7,757)
Facilities Management	-	(291,966)
Filing fees	(758)	(438)
General Expenses	(11,240)	(2,467)
Hire of Plant & Equipment	(13,484)	(13,385)
Insurance	(74,989)	(77,509)
Interest paid	(12)	(17)
Legal and Consulting Expenses	(880)	(2,313)
Light & Power	(82,211)	(75,416)
Other General Expenses	(7,551)	(4,682)
Sporting Grants and related costs	(5,000)	(8,000)
Permits & Licences	(5,784)	(3,435)
Community Levy	(12,373)	(17,062)
Printing, Postage & Stationery	(4,994)	(5,210)
Rates & Taxes	(11,735)	(11,540)
Repairs & Maintenance	(55,907)	(27,075)
Salaries & Expenses	(508,986)	(470,312)
Security	(64,599)	(25,782)
Stocktaking fees	(8,400)	(10,400)
Subscriptions	(59,416)	(54,407)
Superannuation	(46,074)	(50,439)
Telephone	(8,838)	(8,180)
Training - Staff	(2,810)	(2,810)
Transport - Miscellaneous	(18)	-
Uniforms	(1,458)	(675)
<b>TOTAL INDIRECT EXPENSES</b>	<b>(1,103,166)</b>	<b>(1,244,278)</b>

**ARNCLIFFE SCOTS SPORTS & SOCIAL CLUB LIMITED**  
**STATEMENT OF FINANCIAL PERFORMANCE - BY SEGMENT**  
**FOR YEAR ENDED 28 FEBRUARY 2018**

	<b>2018</b>	<b>2017</b>
<b>OPERATING PROFIT/(LOSS) BEFORE DEPRECIATION</b>	<b>484,624</b>	<b>257,249</b>
Depreciation – Buildings	(188,724)	(188,724)
Depreciation – Plant and Equipment	(37,011)	(38,228)
	<hr/> <b>(225,735)</b> <hr/>	<hr/> <b>(226,952)</b> <hr/>
<b>NET PROFIT/(LOSS) FOR YEAR</b>	<hr/> <b>258,889</b> <hr/>	<hr/> <b>30,297</b> <hr/>