
**Western Suburbs League Club
(Campbelltown) Limited**
ABN 43 000 841 958

**Annual Financial Report
31 October 2018**

Western Suburbs League Club (Campbelltown) Limited

Directors' Report

The directors present their report, together with the financial statements of Western Suburbs League Club (Campbelltown) Limited (the company) for the year ended 31 October 2018.

Directors

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

| Name | Occupation and Period of Directorship |
|-------------------------------|---|
| Warren Thomson - Chairman | Retired Builder Director since 30 June 2003 |
| Alan Buxton - Deputy Chairman | Bank Manager Director since 23 February 2003 |
| Roy Warby | Accountant Director since 5 March 1995 |
| Martin Bullock | CEO, Western Sydney Academy of Sport Director since 4 May 2007 |
| Paul Lake | Business Manager Director since 30 April 2003 |
| Stephen Stewart | Manager Director since 1 December 2009 |
| Stephen Noyce | Mortgage Broker Director since 7 June 2016 |

Directors' meetings

The number of directors' meetings and number of meetings attended by each of the directors of the company during the financial year is:

| Director | Number of Meetings Attended | Number of Meetings Held * |
|-----------------|------------------------------------|----------------------------------|
| Mr W Thomson | 14 | 14 |
| Mr A Buxton | 11 | 14 |
| Mr R Warby | 14 | 14 |
| Mr M Bullock | 12 | 14 |
| Mr P Lake | 14 | 14 |
| Mr S Stewart | 14 | 14 |
| Mr S Noyce | 13 | 14 |

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

Western Suburbs League Club (Campbelltown) Limited

Directors' Report

Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 31 October 2018 and the comparison with last year is as follows:

| | 2018 | 2017 |
|-------------------|--------|--------|
| Full Members | 69,874 | 65,934 |
| Social Member | 50 | 36 |
| Pensioner Members | 3,343 | 3,767 |
| Permanent Members | 207 | 210 |
| Life Member | 6 | 5 |
| Honorary | 2 | 2 |
| Tennis Club | | |
| - Life Member | 2 | - |
| - Junior Member | 153 | 133 |
| Camden Lakeside | | |
| - Junior Member | 15 | 17 |
| - Cadet Member | 5 | 6 |
| - Colt Member | 7 | 5 |
| - Country Member | 362 | 362 |
| - Life/Honorary | 20 | - |
| - Midweek Member | 185 | 169 |
| - Sunday Member | 64 | 46 |
| - Social Member | 248 | 278 |
| | 74,543 | 70,970 |
| | 74,543 | 70,970 |

Members' limited liability

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company during the time that he / she is a member or within one year thereafter. At 31 October 2018 there were 74,543 members.

Operating result

The net profit before tax for the year amounted to \$7,010,831 compared with \$6,804,492 for the prior year. This resulted after charging \$6,475,795 (2017: \$5,953,160) for depreciation.

Objectives

Short term

Providing for members and guests a social club with all first class facilities of a club and to assist generally in the promotion and propagation of sports.

Western Suburbs League Club (Campbelltown) Limited

Directors' Report

Objectives (continued)

Long term

To sustain our position as a leading facility in Western Sydney to ensure our long term support of junior sports and the wider community in that region and beyond.

Strategy for achieving the objectives

Principal strategies include:

1. Maximising advantage from our investment holdings,
2. Maximising advantage from marketing opportunities,
3. Providing a broad range of offerings, and
4. Maintaining high customer service standards.

Principal Activities

The principal activities of the company during the year consisted of the encouragement of games and sport. This has been the Club's focus since inception.

There have been no other significant changes in the nature of these activities during the year.

How these activities assist in achieving the objectives

The activities assist in generating revenue to fund for the sporting activities and the promotion and propagation of junior sports, and to provide first class facilities for members.

Performance measurement and key performance indicators

Performance is assessed regularly against relevant internal and industry benchmarks enabling assessment as to whether strategic initiatives have been effective in achieving company short and long term objectives.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 5.

Signed in accordance with a resolution of the directors.

Dated at Campbelltown this 17th day of December 2018.



Warren Thomson
Director

DECLARATION OF INDEPENDENCE BY PAUL CHEESEMAN TO THE DIRECTORS OF WESTERN SUBURBS LEAGUE CLUB (CAMPBELLTOWN) LIMITED

As lead auditor of Western Suburbs League Club (Campbelltown) Limited for the year ended 31 October 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Paul Cheeseman
Partner

BDO East Coast Partnership

Sydney, 17 December 2018

INDEPENDENT AUDITOR'S REPORT

To the members of Western Suburbs League Club (Campbelltown) Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Western Suburbs League Club (Campbelltown) Limited (the Company), which comprises the statement of financial position as at 31 October 2018, the statement of profit or loss and other comprehensive income, the statement of changes in members' funds and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Western Suburbs League Club (Campbelltown) Limited, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 31 October 2018 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and 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 Company in accordance with the *Corporations Act 2001* and 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's Report, 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.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO East Coast Partnership

BDO

P. Cheeseman

Paul Cheeseman

Partner

Sydney, 17 December 2018

Western Suburbs League Club (Campbelltown) Limited Directors' Declaration

The directors of Western Suburbs League Club (Campbelltown) Limited declare that:

- (a) In the Directors' opinion the financial statements and notes set out on pages 9 to 27, are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the company's financial position as at 31 October 2018 and of its performance, for the financial year ended on that date; and
 - (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

Dated at Campbelltown this 17th day of December 2018.



Warren Thomson
Director

Western Suburbs League Club (Campbelltown) Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 October 2018

| | Note | 2018 \$ | 2017 \$ |
|--|------|--------------|--------------|
| Revenue | | | |
| Sale of goods | | 18,518,145 | 17,142,158 |
| Rendering of services | | 51,789,183 | 48,501,495 |
| Other revenue | | 111,114 | 96,583 |
| | | <hr/> | <hr/> |
| Total revenue | 1 | 70,418,442 | 65,740,236 |
| | | <hr/> | <hr/> |
| Expenses | | | |
| Cost of goods sold | | (7,730,317) | (7,321,822) |
| Poker machine duties | | (12,037,111) | (11,355,052) |
| Employment and staffing expenses | | (20,190,907) | (18,772,176) |
| Entertainment, marketing and promotional costs | | (7,046,028) | (7,025,723) |
| Property expenses | | (5,615,624) | (5,505,886) |
| Other expenses | 2 | (4,281,795) | (2,858,030) |
| | | <hr/> | <hr/> |
| | | (56,901,782) | (52,838,689) |
| | | <hr/> | <hr/> |
| Earnings before depreciation expense and finance costs | | 13,516,660 | 12,901,547 |
| Depreciation expense | 2 | (6,475,795) | (5,953,160) |
| Finance costs | 2 | (30,034) | (143,895) |
| | | <hr/> | <hr/> |
| Profit before income tax | | 7,010,831 | 6,804,492 |
| Income tax expense | | - | - |
| | | <hr/> | <hr/> |
| Net profit after income tax expense attributable to members | | 7,010,831 | 6,804,492 |
| | | <hr/> | <hr/> |
| Other comprehensive income | | | |
| Gain on revaluation of freehold land | | 18,353,823 | - |
| | | <hr/> | <hr/> |
| Other comprehensive income for the year, net of tax | | 18,353,823 | - |
| | | <hr/> | <hr/> |
| Total comprehensive income for the year, net of tax | | 25,364,654 | 6,804,492 |
| | | <hr/> | <hr/> |

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 13 to 27.

Western Suburbs League Club (Campbelltown) Limited
Statement of Financial Position
As at 31 October 2018

| | Note | 2018 \$ | 2017 \$ |
|--------------------------------------|------|--------------------|--------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 3 | 9,960,777 | 11,038,062 |
| Trade and other receivables | | 655,586 | 151,985 |
| Inventories | | 610,615 | 546,896 |
| Other current assets | 4 | 785,623 | 773,906 |
| Total Current Assets | | 12,012,601 | 12,510,849 |
| Non-Current Assets | | | |
| Property, plant and equipment | 5 | 102,085,400 | 80,215,060 |
| Intangible assets | 6 | 8,497,245 | 8,495,588 |
| Other non-current assets | 4 | 2,591,045 | 2,624,263 |
| Total Non-Current Assets | | 113,173,690 | 91,334,911 |
| Total Assets | | 125,186,291 | 103,845,760 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | 7 | 5,640,050 | 6,054,491 |
| Financial liabilities | 8 | 13,451 | 22,030 |
| Employee benefits | 9 | 1,512,925 | 1,515,260 |
| Income in advance | | 729,897 | 619,211 |
| Total Current Liabilities | | 7,896,323 | 8,210,992 |
| Non-Current Liabilities | | | |
| Financial liabilities | 8 | 38,076 | 3,850,349 |
| Employee benefits | 9 | 255,147 | 191,666 |
| Income in advance | | 303,064 | 263,726 |
| Total Non-Current Liabilities | | 596,287 | 4,305,741 |
| Total Liabilities | | 8,492,610 | 12,516,733 |
| Net Assets | | 116,693,681 | 91,329,027 |
| MEMBERS' FUNDS | | | |
| Retained profits | | 94,754,226 | 87,743,395 |
| Reserves | 10 | 21,939,455 | 3,585,632 |
| Total Members' Funds | | 116,693,681 | 91,329,027 |

The Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 13 to 27.

Western Suburbs League Club (Campbelltown) Limited
Statement of Changes in Members' Funds
For the Year Ended 31 October 2018

| | Reserves \$ | Retained Profits \$ | Total Members' Funds \$ |
|---|-------------------|---------------------------|----------------------------------|
| Balance at 31 October 2016 | 3,585,632 | 80,938,903 | 84,524,535 |
| Net profit for the year | - | 6,804,492 | 6,804,492 |
| Other comprehensive income for the year | - | - | - |
| Total comprehensive income for the year | - | 6,804,492 | 6,804,492 |
| Balance at 31 October 2017 | 3,585,632 | 87,743,395 | 91,329,027 |
| Net profit for the year | - | 7,010,831 | 7,010,831 |
| <i>Other comprehensive income for the year:</i> | | | |
| Revaluation on freehold land | 18,353,823 | - | 18,353,823 |
| Total comprehensive income for the year | 18,353,823 | 7,010,831 | 25,364,654 |
| Balance at 31 October 2018 | 21,939,455 | 94,754,226 | 116,693,681 |

The Statement of Changes in Members' Funds should be read in conjunction with the accompanying notes set out on pages 13 to 27.

Western Suburbs League Club (Campbelltown) Limited
Statement of Cash Flows
For the Year Ended 31 October 2018

| | Note | 2018 \$ | 2017 \$ |
|---|------|--------------|--------------|
| Cash Flows From Operating Activities | | | |
| Cash receipts in the course of operations | | 76,834,460 | 72,482,638 |
| Cash payments in the course of operations | | (64,017,490) | (59,540,756) |
| Interest paid | | (30,034) | (143,895) |
| Interest received | | 36,386 | 38,797 |
| Rent received | | 74,728 | 57,786 |
| | | <hr/> | <hr/> |
| Net cash inflow from operating activities | | 12,898,050 | 12,894,570 |
| | | <hr/> | <hr/> |
| Cash Flows From Investing Activities | | | |
| Payments for property, plant and equipment | | (10,152,826) | (8,997,888) |
| Payments for intangibles | | (1,657) | (700,000) |
| | | <hr/> | <hr/> |
| Net cash outflow from investing activities | | (10,154,483) | (9,697,888) |
| | | <hr/> | <hr/> |
| Cash Flows From Financing Activities | | | |
| Repayment of borrowings | | (3,800,000) | (1,700,000) |
| Repayment of hire purchase creditors | | (20,852) | (99,495) |
| | | <hr/> | <hr/> |
| Net cash outflow from financing activities | | (3,820,852) | (1,799,495) |
| | | <hr/> | <hr/> |
| Net increase in cash and cash equivalents | | (1,077,285) | 1,397,187 |
| Cash and cash equivalents at the beginning of the financial year | | 11,038,062 | 9,640,875 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at the end of the financial year | 3 | 9,960,777 | 11,038,062 |
| | | <hr/> | <hr/> |

The Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 13 to 27.

Western Suburbs League Club (Campbelltown) Limited

Notes to the Financial Statements

For the Year Ended 31 October 2018

About This Report

Western Suburbs League Club (Campbelltown) Limited is a company limited by guarantee, incorporated and domiciled in Australia and is a Non-for-profit entity for the purposes of preparing the financial statements. The financial statements are for Western Suburbs League Club (Campbelltown) Limited as a standalone legal entity.

The financial statements were approved for issue by the Directors on 17 December 2018.

The financial statements are general purposes financial statements which:

- Have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australia Accounting Standards - Reduced Disclosure Requirements issued by the Australian Accounting Standards Board ('AASB');
- Have been prepared under the historical cost convention;
- Are presented in Australian dollars;
- Where necessary comparative information has been restated to conform with changes in presentation in the current year;
- Adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Company and effective for reporting periods beginning on or after 1 November 2017; and
- Have been prepared on a going concern basis.

The notes to the financial statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the company. Information is considered material and relevant if, for example:

- The amount in question is significant because of its size or nature;
- It is important for understanding the results of the company;
- It helps to explain the impact of significant changes in the company's business; and
- It relates to an aspect of the Company's operations that is important to its future performance.

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

Critical Accounting Judgements, Estimates and Assumptions

In the process of applying the company's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates that are material to the financial statements include:

| | |
|--------------------------------------|--------|
| Estimation of useful lives of assets | Note 5 |
| Fair value of freehold land | Note 5 |
| Long service leave provision | Note 9 |
| Intangible assets | Note 6 |

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2018

| | 2018 \$ | 2017 \$ |
|--|------------|------------|
| 1 Revenue | | |
| Sale of Goods Revenue | | |
| Bar sales | 8,164,697 | 7,413,053 |
| Catering sales | 10,353,448 | 9,729,105 |
| | 18,518,145 | 17,142,158 |
| Rendering of Services Revenue | | |
| Poker machines - net clearances | 46,665,198 | 43,896,105 |
| Members' subscriptions | 293,974 | 304,814 |
| Entertainment and promotions | 517,959 | 453,690 |
| Commission received | 868,648 | 777,502 |
| Golf - Competition fees and related income | 2,446,374 | 2,344,708 |
| Sundry income | 997,030 | 724,676 |
| | 51,789,183 | 48,501,495 |
| Other Revenues | | |
| Interest received | 36,386 | 38,797 |
| Rent received and investment property income | 74,728 | 57,786 |
| | 111,114 | 96,583 |
| Total revenue | 70,418,442 | 65,740,236 |

Recognition and measurement:

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

Sale of Goods

Revenue from the sale of goods comprises revenue earned from the provision of food and beverage and is recognised (net of rebates, returns, discounts and other allowances) on the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods.

Rendering of Services

Revenue from rendering 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 using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Rental Income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2018

| | 2018 \$ | 2017 \$ |
|---|------------------|------------------|
| 2 Expenses | | |
| Profit before income tax includes the following specific expenses: | | |
| Finance costs: | | |
| Banks loans and overdraft | 30,034 | 143,895 |
| Depreciation | | |
| Building and improvements | 1,308,755 | 1,123,813 |
| Plant and equipment | 2,316,103 | 2,156,585 |
| Poker machines | 2,850,937 | 2,672,762 |
| Total depreciation | 6,475,795 | 5,953,160 |
| Net expense from movements in provision for Employee benefits | 61,145 | 124,504 |
| Superannuation expense | 1,451,698 | 1,349,045 |
| Other expenses | | |
| Loss on disposal of property, plant and equipment | 160,514 | 97,329 |
| Other expenses | 4,121,281 | 2,760,701 |
| Total other expenses | 4,281,795 | 2,858,030 |

3 Cash and Cash Equivalents

Reconciliation of Cash

Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

| | 2018 \$ | 2017 \$ |
|---------------------------|------------|------------|
| Cash and cash equivalents | 9,960,777 | 11,038,062 |

Recognition and measurement:

Cash and cash equivalents includes 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.

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2018

| | 2018 \$ | 2017 \$ |
|------------------------------------|-----------------|-----------------|
| 4 Other Assets | | |
| Other Current Assets | | |
| Prepayments | 675,623 | 737,602 |
| Other debtors | 110,000 | 36,304 |
| | <hr/> 785,623 | <hr/> 773,906 |
| | <hr/> | <hr/> |
| Non-Current Assets | | |
| Prepayments - car park licence fee | 2,591,045 | 2,624,263 |
| | <hr/> 2,591,045 | <hr/> 2,624,263 |
| | <hr/> | <hr/> |

Recognition and measurement:

Prepayments and other debtors represent the principal amounts due at balance date which is owed to the entity resulting from historical transactions.

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2018

| | 2018 \$ | 2017 \$ |
|--|-------------------------|------------------------|
| 5 Property, Plant and Equipment | | |
| Freehold Land, Building and Improvements <i>At fair value</i> | 36,300,000 | 16,484,672 |
| | <hr/> 36,300,000 <hr/> | <hr/> 16,484,672 <hr/> |
| Building and Improvements <i>At cost</i> | 49,019,779 | 48,404,177 |
| <i>Accumulated depreciation</i> | (10,744,445) | (9,435,690) |
| | <hr/> 38,275,334 <hr/> | <hr/> 38,968,487 <hr/> |
| Plant and Equipment <i>At cost</i> | 33,743,933 | 32,753,997 |
| <i>Accumulated depreciation</i> | (21,673,214) | (20,155,226) |
| | <hr/> 12,070,719 <hr/> | <hr/> 12,598,771 <hr/> |
| Poker Machines <i>At cost</i> | 41,413,013 | 39,333,587 |
| <i>Accumulated depreciation</i> | (34,187,754) | (31,336,817) |
| | <hr/> 7,225,259 <hr/> | <hr/> 7,996,770 <hr/> |
| Capital works in progress <i>At cost</i> | 8,214,088 | 4,166,360 |
| | <hr/> 8,214,088 <hr/> | <hr/> 4,166,360 <hr/> |
| Total property, plant and equipment net book value | <hr/> 102,085,400 <hr/> | <hr/> 80,215,060 <hr/> |

Refer to Note 8 for details of security over property, plant and equipment.

Valuation

An independent valuation of the entity's land and buildings and refurbishment was carried out as at 30 June 2018 by registered valuers, Global Valuation Services Pty Limited on the basis of market value for existing use resulting in a valuation of Land and Buildings at \$87,800,000. As buildings are recorded at cost the valuation has not been brought to account for this class of assets.

The valuation obtained exceeds the carrying value of land and buildings. In light of this the Directors believe there is no indication of impairment as defined by accounting standard AASB136 and that the valuation approach adopted, being historical cost, is still the most appropriate approach to take.

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2018

5 Property, Plant and Equipment (continued)

| | 2018 \$ | 2017 \$ |
|--|-------------|-------------|
| Reconciliations | | |
| Movements in Carrying Amounts | | |
| Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below: | | |
| Freehold Land | | |
| Carrying amount at the beginning of year | 16,484,672 | 16,398,546 |
| Additions | 1,461,505 | 86,126 |
| Revaluation of Freehold Land | 18,353,823 | - |
| Depreciation expense | - | - |
| | <hr/> | <hr/> |
| Carrying amount at end of year | 36,300,000 | 16,484,672 |
| | <hr/> | <hr/> |
| Buildings and Improvements | | |
| Carrying amount at the beginning of year | 38,968,487 | 37,310,813 |
| Additions | 137,146 | 62,236 |
| Transfer from Capital Works in Progress | 478,456 | 2,719,251 |
| Depreciation expense | (1,308,755) | (1,123,813) |
| | <hr/> | <hr/> |
| Carrying amount at end of year | 38,275,334 | 38,968,487 |
| | <hr/> | <hr/> |
| Plant and Equipment | | |
| Carrying amount at beginning of year | 12,598,771 | 11,861,308 |
| Additions | 1,729,088 | 1,936,898 |
| Transfer from Capital Works in Progress | 219,477 | 969,200 |
| Depreciation expense | (2,316,103) | (2,156,585) |
| Disposals | (160,514) | (12,050) |
| | <hr/> | <hr/> |
| Carrying amount at end of year | 12,070,719 | 12,598,771 |
| | <hr/> | <hr/> |
| Poker Machines | | |
| Carrying amount at beginning of year | 7,996,770 | 7,530,634 |
| Additions | 2,079,426 | 3,224,177 |
| Depreciation expense | (2,850,937) | (2,672,762) |
| Disposals | - | (85,279) |
| | <hr/> | <hr/> |
| Carrying amount at end of year | 7,225,259 | 7,996,770 |
| | <hr/> | <hr/> |

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2018

5 Property, Plant and Equipment (continued)

| | | |
|---|-------------|-------------|
| Capital Works in Progress | | |
| Carrying amount at beginning of year | 4,166,360 | 4,415,853 |
| Transfer to Freehold Land, Buildings and Improvements | (478,456) | (2,719,251) |
| Transfer to Plant and Equipment | (219,477) | (969,200) |
| Additions | 4,745,661 | 3,438,958 |
| | <hr/> | <hr/> |
| Carrying amount at end of year | 8,214,088 | 4,166,360 |
| | <hr/> | <hr/> |
| Total property, plant and equipment net book value | 102,085,400 | 80,215,060 |
| | <hr/> | <hr/> |

The following are core properties:

10 Old Leumeah Road, Leumeah NSW

The following are non-core properties:

West's Tennis Club

Camden Lakeside Golf Club

Country Club Camden Valley

8 Old Leumeah Road, Leumeah

6 Old Leumeah Road, Leumeah

4 Old Leumeah Road, Leumeah

Recognition and measurement:

Property, plant and equipment at cost

Property, plant and equipment, excluding Land, are stated at historical cost less depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' 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 charged to the profit or loss during the financial period in which they are incurred.

Capital works in progress are accounted for at cost and are transferred to property, plant and equipment and depreciated when completed and ready for use.

Property, plant and equipment at fair value

All freehold land assets are carried at their fair value, in accordance with AASB 13 Fair Value Measurement and AASB 116 Property, Plant and Equipment. Fair value of freehold land is based on market participant's perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs.

When an item of freehold land is revalued, the entire class of asset to which it belongs is also revalued.

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2018

5 Property, Plant and Equipment (continued)

Key accounting estimates:

Useful lives of assets

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated using the straight line / diminishing value methods to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

| | |
|--------------------------|------------|
| Buildings & improvements | 2.5% - 10% |
| Plant and equipment | 7.5% - 40% |
| Poker machines | 20% - 25% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss.

Revaluations

Following initial recognition at cost, land assets are carried at fair value and accumulated impairment losses. Valuations are to be conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. Freehold land assets are revalued every 3 years. A revaluation of freehold land was conducted as at 31 October 2018, and was based upon the assessment of an independent valuation expert.

Revaluation increments for all land and buildings are recognised in other comprehensive income and credited to the revaluation reserve in equity, see Note 10 for further details of the revaluation reserve. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the statement of profit or loss, the increment is recognised immediately as a gain in the statement of profit or loss. Revaluation decrements for all property, plant and equipment are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation reserve on the same class of assets, in which case, the decrement is debited directly to the asset revaluation reserve.

| | Cost Model | Revaluation | Fair Value Model |
|---------------------------------|-------------------|-------------------|-------------------|
| | 2018 | 2018 | 2018 |
| | \$ | \$ | \$ |
| Carrying value of freehold land | <u>17,946,177</u> | <u>18,353,823</u> | <u>36,300,000</u> |

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2018

| | 2018 \$ | 2017 \$ |
|-----------------------------------|------------|------------|
| 6 Intangible Assets | | |
| Poker machine entitlements | | |
| At cost | 8,497,245 | 8,495,588 |
| Accumulated impaired losses | - | - |
| | <hr/> | <hr/> |
| Net carrying value | 8,497,245 | 8,495,588 |
| | <hr/> | <hr/> |
| Additions during the year | 1,657 | 700,000 |
| | <hr/> | <hr/> |
| Total intangible assets | 8,497,245 | 8,495,588 |
| | <hr/> | <hr/> |

Recognition and measurement:

The intangible assets, being poker machine entitlements, are not amortised. Instead, poker machine entitlements are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and are carried at cost less accumulated impairment losses.

Key accounting estimate:

Impairment of poker machine entitlements is recognised based on a value in use calculations and is measured at the present value of the estimated future cash inflows available to the company from the use of these licenses. In determining the present value of the cash inflows growth rate and appropriate discount factor have been considered.

Poker machine entitlements are administrated by the state government and restrict the number of poker machines that can be installed by licensed club holder. The entitlements which may be transferred or acquired or sold do not have an expiration date and are therefore poker machine entitlements are deemed to have an indefinite useful life.

| | 2018 \$ | 2017 \$ |
|--------------------------------------|------------|------------|
| 7 Trade and Other Payables | | |
| Trade creditors | 2,034,311 | 2,064,693 |
| Goods and Services Tax (GST) payable | 259,583 | 290,466 |
| Other creditors and accruals | 3,346,156 | 3,699,332 |
| | <hr/> | <hr/> |
| | 5,640,050 | 6,054,491 |
| | <hr/> | <hr/> |

Recognition and measurement:

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

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2018

| | 2018 \$ | 2017 \$ |
|---------------------------------|------------|------------|
| 8 Financial Liabilities | | |
| Current | | |
| Secured | | |
| Hire purchase liabilities | 13,451 | 22,030 |
| | <hr/> | <hr/> |
| Non-Current | | |
| Secured | | |
| Hire purchase liabilities | 38,076 | 50,349 |
| Bank bill acceptance facilities | - | 3,800,000 |
| | <hr/> | <hr/> |
| | 38,076 | 3,850,349 |
| | <hr/> | <hr/> |

Financing Arrangements

The company has access to the following lines of credit:

Total facilities available:

| | | |
|----------------------------|-----------|-----------|
| Card facility | 100,000 | 100,000 |
| Commercial Bill facilities | 5,500,000 | 5,500,000 |
| Bank guarantee facility | 20,000 | 20,000 |
| Hire purchase liabilities | 51,527 | 72,379 |
| | <hr/> | <hr/> |
| | 5,671,527 | 5,692,379 |
| | <hr/> | <hr/> |

Facilities utilised at reporting date:

| | | |
|----------------------------|--------|-----------|
| Commercial bill facilities | - | 3,800,000 |
| Bank guarantee | - | 20,000 |
| Hire purchase liabilities | 51,527 | 72,379 |
| | <hr/> | <hr/> |
| | 51,527 | 3,892,379 |
| | <hr/> | <hr/> |

Security

The bank bill facilities are secured by the following:

- First registered mortgage over land and properties situated at 6 Old Leumeah Road, 8 Old Leumeah Road and 10 Old Leumeah Road, Leumeah.
- General security interest over all present and after acquired property of Western Suburbs League Club (Campbelltown) Limited.

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2018

| | 2018 \$ | 2017 \$ |
|----------------------------|------------|------------|
| 9 Employee Benefits | | |
| Current | 1,512,925 | 1,515,260 |
| | <hr/> | <hr/> |
| Non-Current | 255,147 | 191,666 |
| | <hr/> | <hr/> |

Current employee benefits include \$810,039 (2017: \$775,145) relating to accrued long service leave benefits. It is only expected that around \$90,000 of these benefits will be paid out in the next 12 months.

Superannuation Plans

Contributions

The company is under a legal obligation to contribute 9.5% of each employee's base salary to a superannuation fund. The expense recognised in relation to the defined superannuation plan is disclosed in Note 2.

Recognition and measurement:

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Key accounting estimates and judgements: Long-service leave

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Western Suburbs League Club (Campbelltown) Limited
 Notes to the Financial Statements
 For the Year Ended 31 October 2018

| | 2018 \$ | 2017 \$ |
|----------------------|------------|------------|
| 10 Reserves | | |
| Revaluation reserve | 18,353,823 | - |
| Amalgamation reserve | 3,585,632 | 3,585,632 |
| | <hr/> | <hr/> |
| Total reserves | 21,939,455 | 3,585,632 |
| | <hr/> | <hr/> |

Revaluation reserve

The revaluation surplus records revaluations of freehold land, see Note 5 for further details.

Amalgamation reserve

The amalgamation reserves records the fair value of net assets acquired on amalgamation. Amalgamation reserves are recognised as a direct addition to members' funds in the statement of financial position.

11 Key Management Personnel Details

(a) Directors

The following persons were non-executive directors of the company during the financial year:

W Thomson
 A Buxton
 R Warby
 M Bullock
 P Lake
 S Stewart
 S Noyce

(b) Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly during the financial year:

| Name | Position |
|--------------|-------------------------------|
| Tony Mathew | Chief Executive Officer |
| Daniel Grady | Chief Operating Officer |
| Richard Ward | Group Financial Accountant |
| Leanne Craig | Group Human Resources Manager |

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2018

11 Key Management Personnel Details (continued)

(c) Key Management Personnel Compensation

| | 2018 \$ | 2017 \$ |
|--|------------|------------|
| Benefits and payments made to the Directors and Other Key Management Personnel | 1,381,322 | 1,306,407 |
| | <hr/> | <hr/> |

12 Related Parties

Key Management Personnel

Disclosures relating to key management personnel are set out in Note 11.

Directors' Transactions

From time to time, directors of the company, or their director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or customers and are trivial or domestic in nature.

Apart from the details disclosed in this note, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at year end.

13 Company Details

The company is incorporated and domiciled in Australia as a company limited by guarantee. In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company during the time that he is a member or within one year thereafter. At 31 October 2018 there were 74,543 members.

The registered office of the company is 10 Old Leumeah Road, Leumeah NSW 2560.

14 Events Subsequent to Reporting Date

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the company's state of affairs in future financial years.

Western Suburbs League Club (Campbelltown) Limited
 Notes to the Financial Statements
 For the Year Ended 31 October 2018

15 Commitments

Capital Commitments

Capital commitments for expansion which under construction is:

| | 2018 \$ | 2017 \$ |
|-----------------|-------------------|-------------------|
| Within one year | 1,850,000 | - |
| | <hr/> | <hr/> |

16 Contingent Liabilities

Bank Guarantees

The company has given the following bank guarantees:

| | 2018 \$ | 2017 \$ |
|-----|-------------------|-------------------|
| TAB | 20,000 | 20,000 |
| | <hr/> | <hr/> |

Western Suburbs League Club (Campbelltown) Limited
Notes to the Financial Statements
For the Year Ended 31 October 2018

17 Summary of Other Significant Accounting Policies

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 Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Taxation Office 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, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office.

Finance Costs

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

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, finance 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 finance costs capitalised is those incurred in relation to that borrowing, net of any interest earned on those borrowings. Where funds are borrowed generally, finance costs are capitalised using a weighted average capitalisation rate.

Income Tax

The company has obtained private rulings confirming that the company's income is exempt from income tax in Australia under Division 50-1 of the Income Tax Assessment Act (1997). This exemption covers the period 1 November 2012 to 31 October 2020.

No future tax benefits or liabilities outside of the period covered by the private ruling have been recognised.

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 asset's 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 of 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.