



ANNUAL REPORT 2017-18





ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

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OFFICE BEARERS

AS AT 25TH NOVEMBER 2018

PRESIDENT AND CHAIRMAN MICHAEL REID

SECRETARY NOEL RALPH

DIRECTORS WARREN ADAM
PERRY ANDERSON
GREG EATON
TY MUIR
ROBERT NAPIER
ZAK SMITH
DAVID TIMMS

CHIEF EXECUTIVE OFFICER GLYN WALLIS

CHIEF FINANCIAL OFFICER MICHAEL GAFFEY

SOLICITORS MCINNES WILSON LAWYERS

AUDITORS SRJ WALKER WAYLAND

ARANA LEAGUES CLUB LIFE MEMBERS

1976 D Timms +
1978 K McKell +
1980 D Pickstone
1982 R Green +
1993 J Adams
1994 B Wood
1999 J Underhill
2005 G Barnes
2015 A Geppert

LIFE MEMBERS	6
10 YEAR MEMBERS	133
5 YEAR MEMBERS	90
3 YEAR MEMBERS	13,235
FULL MEMBERS	6,632
<hr/>	
TOTAL:	20,096



NOTICE OF ANNUAL GENERAL MEETING
Posted 2 November 2018

NOTICE IS GIVEN THAT:

- 1 The Annual General Meeting of the members of the Arana Leagues Club Limited (the Club) will be held on 25 November 2018 at 9.30am at the Club at 247 Dawson Parade, Keperra.
- 2 The ordinary business of the Annual General Meeting will be as follows:
 - (a) Receive apologies;
 - (b) Confirmation of Minutes of the last Annual General Meeting held on 26 November 2017;
 - (c) President's Report;
 - (d) Appointment of Auditors for 2018/2019
 - (e) Consideration of the Financial Accounts for the year ended 30 June 2018;
 - (f) Election of Office Bearers for 2018/2019 – Declaration of Directors;
 - (g) Any business on which seven (7) days notice has been given.

Noel Ralph
Secretary



ARANA LEAGUES CLUB LIMITED

MINUTES

45th ANNUAL GENERAL MEETING

Held at Club Premises, Dawson Parade, Keperra

Sunday 26 November 2017

- 1.0 HEAD TABLE:** MICHAEL REID PRESIDENT/CHAIRMAN
NOEL RALPH SECRETARY
- Directors:** ALLAN GEPPERT WARREN ADAM
ROBERT NAPIER GREG EATON
TY MUIR GRAHAM BAILEY
DAVID TIMMS
- General Manager:** JOE KELLY
- Members:** As per Attendance Register – 62 Members, 4 Visitors
- Special Guests:** Jason Croston SRJ Walker Wayland
Michael Gaffey ALC Chief Financial Officer
Glyn Wallis ALC Operations Manager
Peter Schwarze President, WAH Old Boys & President Arana Golf Club
Paul McGowan McInnes Wilson, Lawyers
John Adams Life Member 1993
Brian Wood Life Member 1994
John Underhill Life Member 1999
Graham Barnes Life Member 2005
Allan Geppert Life Member 2015
- APOLOGIES:** Margaret Timms, Terry Tibbetts, Lesley Morrison, Joan Wood,
Bob and Joyce Wells, Garth Brown

MOVED by OWEN MORRISON and
seconded by BRIAN BATTERSBY
that the apologies be accepted

MOTION CARRIED

Meeting opened at 9.35am.

2.0 WELCOME & APOLOGIES

The GENERAL MANAGER, welcomed Members and Special Guests to the 45th Annual General Meeting of the Arana Leagues Club. The GENERAL MANAGER advised the meeting 94 proxies had been lodged, there were sixty-two (62) members and four (4) visitors present. Based on 156 votes available in the room 117 votes were required to pass the changes to the constitution.

The GENERAL MANAGER highlighted achievements of the Club for the 2016-2017 financial year:

- The Club posted a post tax profit of \$663,363.
- The debt has been reduced to just over \$2.5m.
- The debt reduction is lower than previous years as considerable expenditure was involved with the replacing of a large section of the Club's roof and upgrading the air-conditioning plant.
- Approval has been received from the Brisbane City Council with respect to the proposed car park extension and it is currently in the "Objection Period". If final approval is received, construction will commence in the next financial year after the end of the football season.
- Over the last 12 months the Club has received approval to increase its gaming entitlements by a further 59 entitlements to future proof the Club.
- The Club continues to set new records in terms of community donations by providing support of \$778,022. Of that \$344,223 has been provided to the West Arana Hills Rugby League Football Club in cash or in-kind direct support. This donation pays for jerseys, ground and facility maintenance of three fields, electricity on the main field, raffle prizes and room hire, insurance, and new lights on field 3.
- \$116,000 has been provided to Arana Sports.
- School Chaplaincy Programs have received more than \$30,000.
- Bar and catering revenue has increased with the bar revenue increasing by 8.24%.
- The Cafe revenue is increased by 16%.
- Congratulations and a special thank you was given to BROOK BAILLIE who has been named Queensland Club Chef of the Year.
- Acknowledgement was given to the essential role SUZAN DABELSTEIN, the Club's previous Financial Controller, provided to the Club, and best wishes were extended to her for the future.
- MICHAEL GAFFEY was welcomed to the Club as the new Financial Controller.
- The GENERAL MANAGER thanked the Club's members for their support of the staff throughout the year, the Board for their support, and the staff and management for their support during the year.
- The GENERAL MANAGER also thanked the Management Team and the Board, and especially the two outgoing Directors, GRAHAM BAILEY and ALLAN GEPPERT for their support during the past year.

The CHAIRMAN congratulated the General Manager and staff for their outstanding efforts and achievements throughout the year.

The CHAIRMAN also acknowledged Special Guests and Life Members and listed the apologies received.



3.0 MINUTES SILENCE

Chair requested everyone be upstanding in memory of Members, family and friends who passed away during the year.

4.0 REVIEW OF MINUTES OF THE 44th ANNUAL GENERAL MEETING:

No changes to the Minutes of the 44th Annual General Meeting.

MOVED by NEIL DAVIS and seconded by JOHN UNDERHILL
that the Minutes of 44th Annual General Meeting
of the Arana Leagues Club held on 27 November 2016 be accepted

MOTION CARRIED

5.0 PRESIDENT'S REPORT

Taken as read.

- 5.01 OWEN MORRISON raised the question of the Certificate 3 award enquiry.
The GENERAL MANAGER advised all requirements of the Trainees had been met (i.e. up to 400 hours work) and the Club had a 100% success rate. It was mentioned that one of the Club's first trainees is now a Duty Manager at the Club, and the Club has one of the lowest turnover of staff in the industry with the program working very well.

MOVED by NEIL DAVIS, seconded by NEV NOFFKE
that the 2017 report of PRESIDENT MICHAEL REID
published in the Annual Report be accepted

MOTION CARRIED

6.0 APPOINTMENT OF AUDITORS

MOVED by MARK BAILEY seconded by JOHN UNDERHILL
that the Board confirm SRJ WALKER WAYLAND
as the Club's Auditors for the 2017-2018 financial year

MOTION CARRIED

7.0 CONSIDERATION OF FINANCIAL STATEMENTS

Taken as read

- 7.01 OWEN MORRISON queried as the car park had been approved, how many houses are to be demolished for the car park and how many left. The GENERAL MANAGER responded the Club originally had 11 properties, 2 were demolished in 04/05, 7 houses will be demolished for the car park and 2 will remain. He advised of another property purchased at Fitzsimmons Street. Consideration had been given for high density housing however the current Town Plan did not allow for this. The new car park will provide 500 parking spaces. First stage will be ground, 1 and 2 with the last 2 levels providing 220-240 in a few years. Currently in the process of obtaining updated costs. Removal costs will be expensive because of removal of the hill and asbestos removal from the older houses.

- 7.02 JOHN UNDERHILL enquired as to why the gaming machine revenue was static, with

the opening hours increased, and is there any cost benefit gained from remaining open until 3am. The GENERAL MANAGER advised it was more about building trade from the 11pm-2am period and ensuring we are open for that trade. The actual turnover was up by approximately 5%, with the Lightning Link and Dragon Link turnover being exceptional; however the payouts on these machines are higher. However it would be detrimental to the club not to have these machines as the Club would lose patronage to other clubs.

- 7.03 JOHN UNDERHILL enquired whether the club makes any profit from the 2 ATM machines and queried if the fee could be reduced. The GENERAL MANAGER replied the club does receive benefit back from the ATMs but because of contractual agreements he was not in a position to advise the details.
- 7.04 JOHN UNDERHILL questioned what parking would be available during the building of the car park. The GENERAL MANAGER advised there would be some parking available at the School and also behind the Football Club with a buggy carrying people to the club.

MOVED by OWEN MORRISON , seconded by NEV NOFFKE
that the 45th Annual Report including Balance Sheet, Financial Statements,
Directors' Statutory Report and the Auditor's Report thereon
for the year ended 30 June 2017 be accepted

MOTION CARRIED

8.0 ELECTION OF DIRECTORS

The Chair referred to the Returning Officer's report which advised nominations for the position of Director were called and closed at 9.30am on 22nd October 2017. At the close nine (9) nominations were received for the nine (9) available positions, therefore a ballot was not required.

In accordance with Clause 30.5(7)(d), the Chair declared the following persons elected as Directors for the next 12 months:

DAVID TIMMS, NOEL RALPH, ROBERT NAPIER, WARREN ADAM, MICHAEL REID, TY MUIR,
GREG EATON, PERRY ANDERSON, ZAK SMITH

The Chairman congratulated the Directors on their re-election to the Board for 2018.

9.0 CONSIDERATION OF SPECIAL RESOLUTIONS TO AMEND THE CONSTITUTION

Owen Morrison and Allan Geppert were appointed as scrutineers for the vote.

- a) Proposed amendment to Clause 28.3 of the constitution to read:
An elected Director holds office until the termination of the next Annual General Meeting held ... ".....on the expiry of three (3) years after his or her election".

PETER SCHWARZE enquired whether a Director, at the end of his/her three (3) year term, could re-nominate for another three (3) years? The GENERAL MANAGER advised this was the case.



Moved by DENNIS PARKER and seconded by DES MANLEY

That "An elected Director holds office until the termination of the next Annual General Meeting held.... on the expiry of three (3) years after his or her election"

156 votes Yes
0 votes No

MOTION CARRIED

10. BUSINESS ON WHICH SEVEN DAYS NOTICE GIVEN:

Nil.

11. GENERAL BUSINESS

- 11.01 PETER SCHWARZE - advised on behalf of both the West Arana Hills Old Boys Association and the Arana Golf Club, he wished to thank The Board, The Club and the staff for the support shown throughout the year.
- 11.02 BRIAN BATTERSBY – advised he wished to congratulate the Arana Leagues Club on behalf of the Hills and District Chamber of Commerce, giving sincere appreciation to the Club for all assistance provided.
- 11.03 JOHN SAMBROOKS - advised of an original Arana Jersey, and asked for assistance in locating any players who played in the first grand final who have not already signed this jersey. He would like to have signatures of all the team and the jersey would then be auctioned for fund-raising.
- 11.04 The Chairman, MICHAEL REID, thanked Graham Bailey for his time and effort on the Board and wished him the best in the future.
- 11.04 The Chairman, MICHAEL REID especially thanked ALLAN GEPPERT for his longstanding support to the Club over 18 years, describing him as a role model to himself and many other people and the ongoing support he has provided to the Club. He passed on the Board's appreciation for all his support and kindness.
- 11.05 ALLAN GEPPERT responded his thanks to the Chairman, in his opinion The Club consists of members, staff, management, and the Board and gave his deepest thanks to them all. He especially thanked everyone for their continual support through his wife's illness. He advised further he may be leaving the Board and is happy to leave the club in good hands knowing it will continue with its momentum, and further advised he may be leaving the Board but will always be in regular attendance at the Club.

12.0 CLOSE OF MEETING

There being no further business, the CHAIRMAN closed the meeting at 10.10am and invited all in attendance to remain for refreshments.

26 November 2017
Jan Harris, Minutes Secretary



PRESIDENT'S REPORT

On behalf of the Board of Directors I would like to present the annual report. We have finished the year with a profit of around \$247,000 and we have continued to reduce our renovation loan down to \$2.2 million.

Our community donations, with the main beneficiaries WAHRLFC, Arana Sports and our School Chaplaincy Program continues to grow and this year the club donated over \$840,000, through either cash or in-kind donations. Our school based trainees from Ferny Grove State High School continue to deliver 100% success in obtaining their Certificate III in Hospitality.

Thanks to Joe Kelly for his input and in leading Arana for seven years. He has taken up a new role as Chief Executive Officer at the Broncos Leagues Club, all the best and thank you. We have appointed Glyn Wallis as his replacement and would like to thank him for his continued commitment to Arana. Glyn has certainly displayed a strong dedication to our club and brings with him significant experience. We look forward to working with Glyn in the future. To Michael Gaffey thank you so much for your contribution to our finance department, your input has been invaluable.

The membership of the club continues to grow and one of the many reasons for this, is the food that Brook Baillie and his team continue to deliver to our members and guests, thanks Brook.

I would like to acknowledge the work Cameron Stanley does for Arana Spots Inc. The work in obtaining grants for all of our community clubs deserves credit, thanks Cameron.

Finally, I would like to thank the Board and their commitment to Arana and all of the staff that have made our great club what it is today. To all the members thank you and I look forward to your continued support.

Michael Reid
President





CHIEF EXECUTIVE OFFICER'S REPORT

As we enter the new financial year we look forward to increasing our patronage; continuing to look after our existing members; and inviting new members to come and try our club. We have finished the year with a profit of \$247,025, and whilst not as strong as recent years, it is definitely a number we can work with. Our gaming turnover or play decreased this financial year, for the first time in five years, and our challenge is to grow these numbers. On a positive note our catering operations have increased revenue by 3.8% with the Café increasing sales by 8.6%, thus continuing a four year upward trend.

I am pleased to report that our renovation loan is projected to be \$1.9m by the AGM and we continue to pay this off comfortably. Work is well underway for the construction of 70 new carparks at the far end of Kev McKell Oval which is a major step towards the development of our multilevel carpark. In addition, we will also be upgrading and renovating our furniture in the Tall Story Café and the Kick Bar & Grill. All new works will be complete by early 2019.

In terms of our balance sheet we have purchased another property on Fitzsimmons Street which bolsters our investment property portfolio to \$2.8m. The Club also secured an additional 88 gaming entitlements which raises our assets by a further \$175,000. We are in a strong position to build on trade and push forward to the next stage of the Club's masterplan.

We are also focusing on reducing costs. This year we implemented a more efficient payroll and rostering system which is already reaping efficiencies.

We are committed to our charter and objective of supporting the community and we are thrilled to announce that this year's community contribution was \$841,750. This is our largest figure to date and continues our upward trend since 2010-11. Recipients were widespread with 110 separate entities including local schools, charities, sporting, recreation and community associations. The West Arana Hills Rugby League Football Club was our major beneficiary followed by Arana Sports. We also donated \$30,000 amongst six local primary schools to support their internal chaplaincy programs.

We recently celebrated the graduation of our 2017/2018 School Based Trainees, the tenth group to come through this program with us. Once again, we had a 100% completion rate which is a testament to the hard work of our management team and Ferny Grove State High School. The program is now an integral part of the Club's recruitment and succession planning and we are proud to provide local youth with employment opportunities. I am pleased to advise that sixty percent of our front of house catering, beverage and gaming staff are current or former School Based Trainees. We are continuing the program this year with 22 fresh faced recruits who began in late September.

This year we welcomed Michael Gaffey our new Chief Financial Officer to the fold. Michael has quickly proved to be a great asset and I cannot speak more highly of his work to date. I would also like to thank the rest of the management team for their untiring efforts to keep this place ticking over through thick and thin. In particular, I would like to commend Brook Baillie, our Executive Chef, as our food offering is the envy of many a club; and Damien Humphreys, our Beverage Manager, as he continues to provide a quality product at a reasonable price.

I think that it is also important to acknowledge the work of Joe Kelly, our outgoing CEO, who brought the Club a long way over the past seven years. He leaves us with a strong management team who are ready to face the challenges of the future.

On a personal note I would like to thank all 120 of our staff and management who have been nothing but supportive since Joe's departure. I would also like to thank the many members who have given me words of encouragement and support over the same time. I have been employed at this Club for the past eleven years and I could not be prouder of my new role. I assure you that I will always have the best interests of this club in mind in everything I do and I look forward to seeing you all for many years to come.

Lastly, I would like to thank the Board of Directors for their support and direction as we push to the future and continue our great work, not only for our members and guests - but our whole community.



Glyn Wallis
Chief Executive Officer



Directors' Report

30 June 2018

The directors present their report on Arana Leagues Club Limited for the financial year ended 30 June 2018.

1 General information

Information on directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

Mr. M. Reid	
Qualifications	Auxiliary staff member at a local school and part owner/operator of a private business.
Experience	Joined the Board in November 2011 in a non-executive capacity.
Mr. N. Ralph	
Qualifications	Consultant
Experience	Joined the Board in November 2013 in a non-executive capacity.
Mr. W. Adam	
Qualifications	Self Employed Property Maintenance
Experience	Joined the Board in November 2013 in a non-executive capacity.
Mr. G. Bailey	
Qualifications	Business Development Manager
Experience	Joined the Board in November 2013 in a non-executive capacity. Resigned as a Board member in November 2017.
Mr. G. Eaton	
Qualifications	Company Director
Experience	Joined the Board in November 2014 in a non-executive capacity.
Mr. A. Geppert	
Qualifications	Sales Representative
Experience	Joined the Board in November 1999 in a non-executive capacity. Resigned as a Board member in November 2017.
Mr. T. Muir	
Qualifications	Company Director
Experience	Joined the Board in November 2015 in a non-executive capacity.
Mr. R. Napier	
Qualifications	Company Director
Experience	Joined the Board in November 1999 in a non-executive capacity.
Mr. D. Timms	
Qualifications	Police Officer
Experience	Joined the Board in November 2012 in a non-executive capacity.

Directors' Report

30 June 2018

1 General information (continued)

Information on directors

Information on directors

Mr. Z. Smith

Qualifications

Company Director

Experience

Joined the Board in November 2017 in a non-executive capacity.

Mr. P. Anderson

Qualifications

Company Director

Experience

Joined the Board in November 2017 in a non-executive capacity.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activity of Arana Leagues Club Limited during the financial year were:

- (a) Provision of services for the members and promotion and support of the aims and objectives of the West Arana Hills Rugby League Football Club.
- (b) To promote and provide assistance when deemed necessary to junior sports and to local community and sporting groups.

No significant changes in the nature of the Club's activity occurred during the financial year.

Short term objectives

The Club's short term objectives are to:

- provide facilities for Members and Members' guests.
- promote, foster, support and encourage the aims and objects of West Arana Hills Rugby League Football Club Incorporated, Brisbane.
- promote or provide assistance to junior sport and local community and sporting groups.
- carry on all such activities as may be necessary or convenient for the Club.

Long term objectives

The Club's long term objectives are to:

- maintain relationships that foster, support and encourage West Arana Hills Rugby League Football Club, junior sport, local community and sporting group.
- be sustainable and strive for continuous improvements so as to offer the best possible outcomes for Members and Members' guests.



Directors' Report

30 June 2018

1 General information (continued)

Long term objectives

- maintain a quality Club facility to the highest standard and provide a high level of services to our Members.

Strategy for achieving the objectives

To achieve these objectives, the Club has adopted the following strategies:

- the Club strives to attract and retain quality staff who are committed to working with Members and Members' guests.
- the Board and staff work in partnership with a range of community stakeholders which is evidenced by ongoing support of the Club's projects and initiatives.
- the Board are committed to a Master Plan for future developments to maintain a first-class facility.

Members' guarantee

Arana Leagues Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$20 for members that are corporations and \$20 for all other members, subject to the provisions of the company's constitution.

At 30 June 2018 the collective liability of members was \$401,920 (2017: \$396,660).

Meetings of directors

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr. M. Reid	12	12
Mr. N. Ralph	12	12
Mr. W. Adam	12	12
Mr. G. Bailey	5	3
Mr. G. Eaton	12	11
Mr. A. Geppert	5	5
Mr. T. Muir	12	12
Mr. R. Napier	12	12
Mr. D. Timms	12	9
Mr. Z. Smith	7	7
Mr. P. Anderson	7	5

Directors' Report

30 June 2018

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2018 has been received and can be found on page 18 of the financial report.

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

Director: *M. M. Reid*
.....
Mr. M. Reid

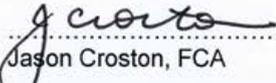
Dated *26/9/18*



AUDITOR'S INDEPENDENCE DECLARATION

As auditor for the audit of Arana Leagues Club Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.


.....
Jason Croston, FCA
Registered Company Auditor
Brisbane
SRJ Walker Wayland

Dated: 26 September 2018

Arana Leagues Club Limited

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

		2018	2017
	Note	\$	\$
Revenue	2	19,816,977	20,000,276
Other income	2	284,212	206,227
Raw materials and consumables used		(2,849,938)	(2,848,467)
Finance costs	3	(262,855)	(267,861)
Other expenses	3	(9,594,923)	(9,723,162)
Depreciation expense	3	(1,636,030)	(1,432,264)
Employee benefits expense		(5,569,726)	(5,347,289)
Profit before income tax		187,717	587,460
Income tax benefit	4	59,308	75,903
Total comprehensive income for the year		247,025	663,363

The accompanying notes form part of these financial statements.



Arana Leagues Club Limited

Statement of Financial Position

30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	855,471	896,866
Trade and other receivables	6	101,630	106,087
Inventories	7	206,916	228,416
Other assets	8	193,861	208,127
TOTAL CURRENT ASSETS		<u>1,357,878</u>	1,439,496
NON-CURRENT ASSETS			
Property, plant and equipment	9	15,011,763	15,114,564
Investment property	10	2,836,181	2,359,376
Deferred tax assets	19	486,322	426,710
Intangible assets	11	400,000	225,000
TOTAL NON-CURRENT ASSETS		<u>18,734,266</u>	18,125,650
TOTAL ASSETS		<u>20,092,144</u>	<u>19,565,146</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	958,141	901,878
Borrowings	13	3,096,510	1,534,581
Short-term provisions	14	442,033	454,077
Employee benefits	15	396,546	364,359
TOTAL CURRENT LIABILITIES		<u>4,893,230</u>	3,254,895
NON-CURRENT LIABILITIES			
Borrowings	13	1,065,442	2,418,143
Deferred tax liabilities	19	1,058,679	1,058,375
Employee benefits	15	48,495	54,460
TOTAL NON-CURRENT LIABILITIES		<u>2,172,616</u>	3,530,978
TOTAL LIABILITIES		<u>7,065,846</u>	6,785,873
NET ASSETS		<u>13,026,298</u>	<u>12,779,273</u>
EQUITY			
Retained earnings		<u>13,026,298</u>	12,779,273
TOTAL EQUITY		<u>13,026,298</u>	<u>12,779,273</u>

The accompanying notes form part of these financial statements.

Arana Leagues Club Limited

Statement of Changes in Equity

For the Year Ended 30 June 2018

2018

	Note	Retained Earnings \$	Total \$
Balance at 1 July 2017		12,779,273	12,779,273
Profit attributable to members of the entity		247,025	247,025
Balance at 30 June 2018		13,026,298	13,026,298

2017

	Note	Retained Earnings \$	Total \$
Balance at 1 July 2016		12,115,910	12,115,910
Profit attributable to members of the entity		663,363	663,363
Balance at 30 June 2017		12,779,273	12,779,273

The accompanying notes form part of these financial statements.



Arana Leagues Club Limited

Statement of Cash Flows For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	19,821,140	19,971,456
Payments to suppliers and employees	(17,908,380)	(17,835,890)
Finance costs	(262,855)	(267,861)
Interest received	295	847
Net cash provided by/ (used in) operating activities	23 <u>1,650,200</u>	<u>1,868,552</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for property, plant and equipment	(1,231,280)	(1,213,081)
Payment for investment property	(494,543)	-
Payment for intangible asset	(175,000)	-
Net cash used by investing activities	<u>(1,900,823)</u>	<u>(1,213,081)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	1,996,172	1,013,828
Repayment of borrowings	(1,786,944)	(1,706,497)
Net cash used by financing activities	<u>209,228</u>	<u>(692,669)</u>
Net increase/(decrease) in cash and cash equivalents held	(41,395)	(37,198)
Cash and cash equivalents at beginning of year	896,866	934,064
Cash and cash equivalents at end of financial year	5 <u><u>855,471</u></u>	<u><u>896,866</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2018

The financial statements are for Arana Leagues Club Limited as a not-for-profit that incorporates Arana Bingo Inc.

The functional and presentation currency of Arana Leagues Club Limited is Australian dollars.

1 Summary of significant accounting policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Comparative amounts

Comparatives are consistent with prior years, unless otherwise stated.

(c) Income tax

The tax expense recognised in the statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.



Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of significant accounting policies (continued)

(c) Income tax

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Non-member income of the entity is only assessable for tax, as member income is excluded under the principle of mutuality.

(d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Club are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Club and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Customer loyalty programs

Arana Leagues Club Limited operates a customer loyalty program where customers earn points on purchases that entitle them to discounts on future purchases. The fair value of the consideration received on transactions for the sale of goods is allocated between the rewards points and the sale of the goods. The fair value allocated to rewards points is deferred and only recognised as revenue when the points are redeemed, based on the number of points redeemed relative to the total numbers of points expected to be redeemed. Award points expire 12 months after the date of the sale transaction.

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of significant accounting policies (continued)

(e) Revenue and other income

Interest revenue

Interest is recognised using the effective interest method.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight-line basis over the financial year.

Gain on disposal of non-current assets

When a non-current asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

(f) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(g) Goods and services tax (GST)

Revenue, 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 (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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



Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of significant accounting policies (continued)

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the standard costs basis and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(i) Property, plant and equipment

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

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Land and buildings

Land and buildings are measured using the cost model.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Plant and equipment

Plant and equipment are measured using the cost model.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Club, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Leasehold Improvements	10 - 50 Years
Buildings	5 - 50 Years
Plant and Equipment	2 - 25 Years
Poker Machines	3 - 5 Years

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of significant accounting policies (continued)

(i) **Property, plant and equipment**

Fixed asset class	Depreciation rate
Car Park	5 - 10 Years
Other Property, Plant and Equipment	5 - 10 Years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(j) **Intangible assets**

Gaming machine entitlements held by the Club, are considered to have indefinite useful life and accordingly are not amortised. Arana Leagues Club performs impairment testing annually as at 30 June and gaming machine entitlements are carried at cost less accumulated impairment losses.

(k) **Investment properties**

Investment properties are held to generate long-term rental yields and capital growth. Investment properties are carried at fair value. Significant changes to fair value are recorded in the statement of other comprehensive income as other income/expenses.

(l) **Financial instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Club commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (d) less any reduction for impairment.



Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of significant accounting policies (continued)

(I) Financial instruments

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Club's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Club sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be 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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of significant accounting policies (continued)

(l) Financial instruments

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be sold within 12 months after the end of the reporting period.

(v) Financial liabilities

Bank loan borrowings are initially recognised at fair value net of transaction costs incurred.

The portion of borrowings that is expected to be paid in the next 12 months in accordance with the terms of finance agreements entered into are classified as current liabilities. The remaining portion of borrowings are classified as non-current liabilities.

All of the terms and conditions of finance agreements entered into are being complied with and it is reasonable to expect that only the payments expected under the terms of finance agreements entered into will need to be paid.

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Club becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Club uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Club's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

(m) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(n) Employee benefits

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

(o) Provisions

Provisions are recognised when the Club has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.



Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of significant accounting policies (continued)

(p) Arana Bingo Inc.

Arana Leagues Club Limited controls the operations of Arana Bingo Inc. The transactions relating to Arana Bingo Inc are therefore included in the income and expenses of Arana Leagues Club Ltd. Arana Bingo Inc records income for \$345,896 and expenses of \$423,619 resulting in a loss of \$77,723. The net carried forward deficit of Arana Bingo Inc forms part of Arana Leagues Club Limited's cash at bank.

(q) Adoption of new and revised accounting standards

The Club has adopted all standards which became effective for the first time at 30 June 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Club.

2 Revenue and other income

Revenue from continuing operations

	2018	2017
	\$	\$
Sales revenue		
Sale of goods	6,815,177	6,752,685
Provision of services	378,399	385,408
Total sales revenue	<u>7,193,576</u>	<u>7,138,093</u>
Finance income		
Other interest received	295	847
Total interest income	<u>295</u>	<u>847</u>
Other revenue		
Operating grants	84,951	128,610
Member subscriptions	84,499	75,118
Rental revenue for property investment	128,545	123,513
Bingo revenue	345,896	361,930
Poker machine revenue	11,881,189	12,140,221
Other trading revenue	98,026	31,944
Total other revenue	<u>12,623,106</u>	<u>12,861,336</u>
Total revenue	<u>19,816,977</u>	<u>20,000,276</u>
	2018	2017
	\$	\$
Other income		
- Net gain on disposal of property, plant and equipment	284,212	206,227
Total Other Income	<u>284,212</u>	<u>206,227</u>

Notes to the Financial Statements

For the Year Ended 30 June 2018

3 Result for the year

The result for the year was derived after charging / (crediting) the following items:

	2018	2017
	\$	\$
Finance costs		
Financial liabilities measured at amortised cost:		
Interest on obligations under finance leases	49,716	56,132
Interest on bank overdrafts and loans	172,492	175,828
Other interest expense	40,647	35,901
Total finance costs	262,855	267,861

The result for the year includes the following specific expenses:

	2018	2017
	\$	\$
Other expenses		
Light, power, gas and water	582,194	523,715
Donations	291,520	265,029
Repairs and maintenance	451,421	433,129
Promotional expenses	1,396,852	1,404,741
Gaming expenses	4,618,372	4,842,162
Bingo expenses	377,777	384,693
Cleaning and replacements	297,573	288,567
Other expenses	1,298,226	1,304,196
Rental expense on operating leases:		
- Lease rentals on operating lease	280,988	276,930
Total other expenses	9,594,923	9,723,162



Notes to the Financial Statements

For the Year Ended 30 June 2018

3 Result for the year (continued)

Expenses	2018	2017
	\$	\$
Depreciation expense		
Depreciation - buildings	325,913	321,767
Depreciation - gaming machines	979,685	785,405
Depreciation - office equipment	292,629	287,091
Depreciation - landscaping and carpark	7,411	8,807
Depreciation - grounds	12,653	12,360
Depreciation - investment properties	17,739	16,834
Total depreciation expense	<u>1,636,030</u>	<u>1,432,264</u>

4 Income tax expense

(a) Reconciliation of income tax expense to prima facie tax:

	2018	2017
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2017: 30%)	56,315	176,238
Add:		
Tax effect of:		
Non-deductible depreciation	(3,635)	11,615
Other non-allowable items	(51,884)	(72,159)
	<u>796</u>	<u>115,694</u>
Less:		
Tax effect of:		
Non-taxable member income arising from principle of mutuality	121,482	233,161
Superannuation	(6,722)	(390)
Recoupment of prior year tax losses not previously brought to account	(54,656)	(41,174)
Income tax (revenue)/expense	<u>(59,308)</u>	<u>(75,903)</u>

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

5 **Cash and cash equivalents**

	2018	2017
	\$	\$
Cash at bank and in hand	822,326	873,957
Short-term bank deposits	33,145	22,909
Total cash and cash equivalents	855,471	896,866

6 **Trade and other receivables**

	2018	2017
	\$	\$
CURRENT		
Trade receivables	15,707	7,969
Deposits	7,200	7,200
Income accruals	78,723	90,918
Total trade and other receivables	101,630	106,087

7 **Inventories**

	2018	2017
	\$	\$
CURRENT		
At cost:		
Inventories	206,916	228,416
Total inventories	206,916	228,416

8 **Other assets**

	2018	2017
	\$	\$
CURRENT		
Prepayments	193,861	208,127
Total other assets	193,861	208,127



Notes to the Financial Statements

For the Year Ended 30 June 2018

9 Property, plant and equipment

	2018	2017
	\$	\$
BUILDINGS		
At cost	12,808,147	12,800,771
Accumulated depreciation	(2,625,457)	(2,299,611)
Total buildings	<u>10,182,690</u>	<u>10,501,160</u>
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	<u>379,298</u>	351,985
Plant and equipment		
At cost	6,781,614	6,580,579
Accumulated depreciation	(5,255,519)	(4,955,982)
Total plant and equipment	<u>1,526,095</u>	<u>1,624,597</u>
Improvements		
At cost	1,209,661 \$	1,208,202
Accumulated depreciation	(1,157,702)	(1,150,239)
Total leasehold improvements	<u>51,959 \$</u>	<u>57,963</u>
Poker Machines		
At cost	5,809,503	4,726,134
Accumulated depreciation	(2,937,782)	(2,147,274)
Total poker machines	<u>2,871,721</u>	<u>2,578,860</u>
Total property, plant and equipment	<u><u>15,011,763</u></u>	<u><u>15,114,564</u></u>

10 Investment properties

	2018	2017
	\$	\$
Value at independent valuation	3,046,845	2,552,302
Depreciation	(210,664)	(192,926)
Balance at end of the period	<u><u>2,836,181</u></u>	<u><u>2,359,376</u></u>

The Club's investment properties and carpark were revalued at 18 January 2013 by independent valuers. Valuations were made on the basis of open market value in an arm's length transaction based on similar properties. No adjustment was made for the revaluation surplus as the value disclosed in the accounts was similar to the valuation. The fair value of the investment properties and carpark are \$3,300,000 and the valuation is dated 18th January 2013.

Notes to the Financial Statements

For the Year Ended 30 June 2018

11 Intangible Assets

	2018	2017
	\$	\$
Gaming Machine Entitlements At Cost	400,000	225,000
Total intangibles	400,000	225,000

12 Trade and other payables

	2018	2017
	\$	\$
CURRENT		
Trade payables	440,465	400,227
Deposits	12,992	14,900
Accrued expense	53,940	36,392
Other payables	8,503	14,766
Other creditors and accruals	442,241	435,593
Total trade and other payables	958,141	901,878

13 Borrowings

	2018	2017
	\$	\$
CURRENT		
Secured liabilities:		
Lease liability secured	792,251	743,389
Bank loans	2,207,971	699,600
Insurance premium finance	96,288	91,592
Total current borrowings	3,096,510	1,534,581

	2018	2017
	\$	\$
NON-CURRENT		
Secured liabilities:		
Lease liability secured	692,766	591,256
Bank loans	372,676	1,826,887
Total non-current borrowings	1,065,442	2,418,143

The bank loans are secured by a first registered mortgage over the buildings and leasehold improvements of Arana Leagues Club Limited. The full balance of the loan is classified as current as there is no unconditional right to defer payment beyond 30 June 2019. Leased liabilities are secured by the underlying leased assets.

At the date of this financial report all of the terms and conditions of the loan agreement had been met.



Notes to the Financial Statements

For the Year Ended 30 June 2018

14 Provisions

	2018	2017
	\$	\$
CURRENT		
Other provisions	442,033	454,077
Total provisions	<u>442,033</u>	<u>454,077</u>

15 Employee benefits

	2018	2017
	\$	\$
Current liabilities		
Provision for long service leave	105,733	54,758
Provision for annual leave	290,813	309,601
Total current employee benefits	<u>396,546</u>	<u>364,359</u>
Non-current liabilities		
Provision for long service leave	48,495	54,460
Total non-current employee benefits	<u>48,495</u>	<u>54,460</u>

16 Leasing commitments

(a) Finance leases

	2018	2017
	\$	\$
Minimum lease payments:		
Not later than one year	792,251	743,389
Between 1-5 years	692,766	591,256
Total minimum lease payments	<u>1,485,017</u>	<u>1,334,645</u>

The finance leases commitments are for gaming machines and other equipment leases entered into by the club.

Notes to the Financial Statements

For the Year Ended 30 June 2018

16 Leasing commitments (continued)

(b) Operating leases

	2018	2017
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
Not later than one year	314,143	321,249
Between one year and five years	1,304,407	1,298,698
Later than five years	1,030,570	1,406,582
Total minimum lease payments	2,649,120	3,026,529

The operating leases above include gaming machine lease and property lease. The property lease is the lease commitment with Brisbane City Council. The property lease has been calculated based on a 1.5% increase or CPI increase each quarter of the year in the amount payable and represents the minimum commitment for the 7 remaining years of the lease assuming no negotiation takes place.

17 Financial risk management

The Club is exposed to a variety of financial risks through its use of financial instruments. The Club 's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets. The most significant financial risks to which the Club is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, cash flow interest risk and price risk

Financial instruments used

The principal categories of financial instrument used by the Club are:

- Trade receivables
- Cash at bank
- Bank overdraft
- Trade and other payables
- Floating rate bank loans



Notes to the Financial Statements

For the Year Ended 30 June 2018

17 Financial risk management (continued)

Objectives, policies and processes

Risk management is carried out by the Club's risk management committee under the delegated power from the Board of Directors. The Chief Executive Officer has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the Club, these policies and procedures are then approved by the risk management committee and tabled at the board meeting following their approval.

Reports are presented at each Board meeting regarding the implementation of these policies and any risk exposure which the Risk Management Committee believes the Board should be aware of.

Fair Value of Financial Instruments

Fair value estimation

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

18 Members' guarantee

The Club is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstandings and obligations of the Club. At 30 June 2018 the number of members was 20,096 (2017: 19,833).

19 Tax

(a) Deferred tax assets

	Opening Balance	Charged to Income	Charged directly to Equity	Closing Balance
	\$	\$	\$	\$
Deferred tax assets				
Depreciation	34,910	(1,223)	-	33,687
Tax Losses	141,772	41,174	-	182,946
Other	174,167	35,910	-	210,077
Balance at 30 June 2017	350,849	75,861	-	426,710
Depreciation	33,687	(15,358)	-	18,329
Tax Losses	182,946	54,656	-	237,602
Other	210,077	20,314	-	230,391
Balance at 30 June 2018	426,710	59,612	-	486,322

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

19 Tax

(b) Deferred tax liability

	Opening Balance	Charged to Income	Charged directly to Equity	Closing Balance
	\$	\$	\$	\$
Deferred tax liability				
Other	1,058,416	(41)	-	1,058,375
Balance at 30 June 2017	1,058,416	(41)	-	1,058,375
Other	1,058,375	304	-	1,058,679
Balance at 30 June 2018	1,058,375	304	-	1,058,679

20 Key management personnel

The totals of remuneration paid to the key management personnel of Arana Leagues Club Limited during the year are as follows:

	2018	2017
	\$	\$
Short-term employee benefits	411,509	383,748
Post-employment benefits	38,589	35,873
	450,098	419,621

The Directors of Arana Leagues Club Limited during the year received no remuneration.

Other Transactions with Directors

During the reporting period there were no other transactions with related parties.

21 Contingencies

In the opinion of the Directors, the Club did not have any contingencies at 30 June 2018 (30 June 2017: None).



Notes to the Financial Statements

For the Year Ended 30 June 2018

22 Related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transaction with related parties:

(a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity is considered key management personnel.

(b) Other Related Parties

	2018	2017
	\$	\$
West Arana Hills Rugby League Football Club Donations	412,523	344,223

23 Cash flow information

(a) Reconciliation of cash

	2018	2017
	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	855,471	896,866
Total cash reconciled	855,471	896,866

Notes to the Financial Statements

For the Year Ended 30 June 2018

23 Cash flow information (continued)

(b) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2018	2017
	\$	\$
Profit for the year	247,025	663,363
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	1,636,030	1,432,264
- net gain on disposal of property, plant and equipment	(284,212)	(206,227)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	4,458	(27,973)
- (increase)/decrease in other assets	14,266	(15,951)
- (increase)/decrease in inventories	21,500	(15,431)
- increase/(decrease) in trade and other payables	56,262	(26,683)
- increase/(decrease) in income taxes payable	(59,308)	(75,907)
- increase/(decrease) in provisions	14,179	141,097
Cashflows from operations	1,650,200	1,868,552

24 Events occurring after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.



Arana Leagues Club Limited

Directors' Declaration

The directors of the Club declare that:

1. The financial statements and notes, as set out on pages 14-41, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Club.
2. In the directors' opinion, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

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



Director

Mr. M. Reid

Dated this 26th day of SEPTEMBER 2018

INDEPENDENT AUDITOR'S REPORT

To the Directors of Arana Leagues Club Limited.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Arana Leagues Club Limited, which comprises the statement of financial position as at 30 June 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 directors' declaration.

In our opinion the financial report of Arana Leagues Club Limited has been prepared in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, 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 the audit report.

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

Responsibilities of 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of 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 relating 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 have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

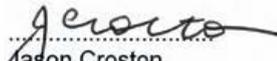
Auditor's Responsibilities for the Audit of the Financial Report

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 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 the financial report.

As part of an audit in accordance with 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Company.
- Conclude on the appropriateness of directors' 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 Company'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 Company 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Jason Croston
SRJ Walker Wayland
Director

Date: 26 September 2018.

Address: Unit 3, 27 South Pine Road, BRENDALE QLD 4500



OUR CONTRIBUTION

\$841,750

2017-18

Proudly supporting our community



MAJOR RECIPIENTS:

WAHRLFC who received

\$412,523

Arana Sports who received

\$123,376

OTHER RECIPIENTS:

Albany Creek Garden Club Inc.
Albany Creek National Seniors Inc.
Albany Creek Uniting Church
Anglican Parish of Grovely
Apollo Male Choir Inc.
Arana Ascot Junior Hockey Club Inc.
Arana Leagues Social Golf Club
Arana Netball Club Inc.
Arana VIEW Club
Ashgrove The Gap Lions Club - Australia
Australian Army - Enoggera
Baden-Powell Guild of Queensland Inc.
Brisbane Bardon Lions
Best Friends Felines
Boxing Queensland Inc.
Brisbane Bunya Lions
Brisbane City Council - Enoggera Ward
Bunya Residents Association
C & K Arana Hills Community Kindergarten
C & K Willmore Community Kindergarten
Albany Fair
Centacare Enoggera Day Respite
Claire's Cottage - Disability Service
CleftPALS Qld Inc.
Club Managers' Association Australia
Community Access Respite Services Inc.
Community Courtesy Bus
Community Hall
CrossFit Verge Arana Hills
Diggers Rest
Downs Syndrome Association of Queensland Inc.
Enoggera State School
Everton Park State High School
Ferry Grove State High School - Maths Challenge
Ferry Grove Police Station
Ferry Grove State School Chaplaincy
Ferry Hills State School
Ferry Hills State School Chaplaincy
Ferry Hills Swimming Club
Golden Valley Keperra Lions Club Inc.
Grovely State School Chaplaincy
Haros' Ten Pin Bowling
HELP Enterprises Limited
Hilder Road State School
The Hills Carnivale - Hills Festival
The Hills District & Bunya Garden Competition
Keperra Sanctuary Aged Care
Kmart Christmas Appeal
Kokoda Youth Foundation
Koori Kids Pty Ltd
Leukaemia Foundation
Macedonian Community of Brisbane
Men of League Foundation Limited
Mitchelton Special School Chaplaincy
Mitchelton State School Chaplaincy
Mothers' Union
Mt Maria College
National Seniors Australia
Neil Forster Special Olympics
North West Youth Accommodation Services Inc.
Order of the Eastern Star
Our Lady of the Assumption Catholic Primary School
Oxford Park Retirement Village
Parents and Friends Association QLD
Patrick's Road State School
Patrick's Road State School Chaplaincy
PepperTree Place
Perennial Poppies Group Inc.
Picabeen Community Association Inc.
Pine Community School
Pine Hills Netball Club
Probus Club of Ashgrove Inc.
Probus Club of Samford Inc.
Probus Club of The Gap Inc.
Queen of Apostles Catholic Primary School
Queensland Ambulance Service - Mitchelton Social Club
Queensland Manx Society Inc.
Queensland Sporting Club Inc.
Red Shield Appeal - Pine Rivers District Redkite
Rotary Club of Ashgrove/The Gap Inc.
Rotary Club of Mitchelton Inc.
Samford Netball Club
Samford Patchworkers
Sammy's Day
Serenata Singers Inc.
South East Queensland Special Children's Christmas Party
SQRCHD Inc.
St Andrew's Catholic Primary School
St Dymphna's Catholic Primary School
St Paul's Ashgrove Anglican Church of Australia
St William's Grovely Catholic Primary School
St William's Grovely Catholic Primary School P&C Association
11-12 Years Boys State Rugby League Championships Dinner
Susan Suduk OneDay to Conquer Cancer
The Gap Anglican Church
The Gap Garden Club
The Gap Historical Society
The Gap Uniting Church
The Gap/Ashgrove 500 Card Club
The Hills Community Carols
The Hills District & Bunya Garden Competition
The Hills District Chamber of Commerce
The Nest Community
The Prince Charles Hospital Foundation
Triple Y Sponsorship St William's
Wahminda Park Scout Group
Waratahs Sporting Club - Softball
Warner Social Golf Club
West Brisbane Panthers Ltd