CASTLE HILL RSL CLUB LIMITED

ABN 35 001 043 910

GENERAL PURPOSE (RDR) FINANCIAL REPORT
For the year ended 30 June 2015

Contents

Directors' report

Your directors submit their report of Castle Hill RSL Club Limited and its controlled entity (the "Group") for the year ended 30 June 2015.

DIRECTORS

The names and details of the Group's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period.

Warren Edward Glenny	(Appointed: 29 June 1994)
Rick Anthony Cumming	(Appointed: 29 November 1995)
David Bruce Wood	(Appointed: 27 April 1994)
Robert Bruce Duncan	(Appointed: 12 October 1993)
Walter Hromow	(Appointed: 28 February 2002)
Ronald Mervyn Smith	(Appointed: 13 August 1975)
Donald Montague Tait	(Appointed: 26 October 2004)
David Elliott	(Appointed: 27 May 2009)
David Lance Cronan	(Appointed: 30 October 2012)

DIRECTORS' MEETINGS

The number of meetings of the company's Board of Directors (the Board) and of each board committee held during the year ended 30 June 2015, and the number of meetings attended by each director were:

	BOARD MEETINGS		**SPECIAL MEETINGS**	
Director	**Number of Meetings Attended**	**Number of Meetings Held***	**Number of Meetings Attended**	**Number of Meetings Held***
Warren Edward Glenny	12	12	4	4
Rick Anthony Cumming	11	12	4	4
David Bruce Wood	12	12	4	4
Robert Bruce Duncan	11	12	4	4
Walter Hromow	12	12	4	4
Ronald Mervyn Smith	12	12	4	4
Donald Montague Tait	11	12	3	4
David Elliott	11	12	3	4
David Lance Cronan	12	12	4	4

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

MEMBERSHIP

The Company is a company limited by guarantee and is without share capital. The number of members as at 30 June 2015 and the comparison with last year is as follows:

	2015	*2014*
Castle Hill RSL		
Financial Members:		
Category 1	**428**	468
Category 2	**35,246**	34,578
Junior Members	**1,734**	1,095
	37,408	36,141

Directors' report (continued)

MEMBERSHIP (continued)

	2015	2014
Parramatta RSL		
Service, Association and Social	**7,669**	7,638
Sub-Branch Members	**747**	752
	8,416	8,390
Lynwood Country Club		
Junior Members	**30**	-
Social Members	**880**	-
Golf Members	**582**	-
	1,492	**-**
	47,316	44,531

MEMBERS' LIMITED LIABILITY

In accordance with the Constitution of the Company, every member of the Company undertakes to contribute an amount limited to $22 per member for all Castle Hill RSL / Lynwood Country Club members and $5.50 for all Parramatta RSL Club members in the event of the winding up of the Company during the time that he/she is a member or within one year thereafter.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were to provide sporting, social and entertainment activities and amenities to the members of the Company and guests from conducting the business of a licensed social club. The clubs' activities enhance, support and continue to develop and promote a range of sporting and social activities that have assisted the general club membership and broader community. These activities have not been limited to the provision of sporting infrastructure but also to the development and promotion of a wide range of activities including all forms of sport from novice to an elite level.

OPERATING RESULT

The net profit after tax for the year amounted to $2,713,374 compared with $2,648,530 for the prior year, an increase of $64,844 (2%) from prior year. This resulted after charging $6,722,710 (2014: $6,840,755) for depreciation and amortisation and $461,670 (2014: $631,896) for finance costs and $993,082 (2014: $1,051,918) for donations.

OBJECTIVES

Short term

The short term organisational strategy is to consolidate and to reduce current debt levels within a reasonable time frame whilst maintaining state of the art facilities and amenities that service the needs of our diverse membership and community. The Company will continue to promote and develop sporting and social activities ensuring we continue to maximise the clubs exposure and involvement within our shire.

Long term

The long term strategic objective of the Castle Hill RSL Club Group is to conduct its business affairs in a sound and responsible manner ensuring relevance to the membership and community providing the facilities and amenities that improve the financial and future viability of the group. This commitment is not limited to physical premises but also to our broader community activities and the development of sport and sporting activities within our shire.

Directors' report (continued)

STRATEGY FOR ACHIEVING THE OBJECTIVES

The primary strategies to achieve the clubs objectives are through sound financial management and the use of financial ratios and key performance indicators (KPIs) to ensure that organisational Business Plans, Budgets and Cash Flows are current and relevant. Business activities are managed in a pro-active manner to ensure that the goals, objectives and business strategies are achieved.

The current departmental/management reporting strategies support this objective and the organisational checks and control measures ensure all ratios and KPIs provide relevant and true information to be utilised in the decision making processes of the Club.

The parent Club is now developing a new Master Plan for each of the Group's sites and business activities. This Master Plan is to ensure we maximise efficiency and effectiveness and remain relevant to the changing demographics of our respective areas. This will see major capital expenditure into the facilities and amenities and the strategy to reinvest back into the core business has proven highly successful and the Board and management will continue with this strategy as we position ourselves for the next decade.

PERFORMANCE MEASUREMENT AND KEY PERFORMANCE INDICATOR

The Club has departmental and organisational business plans and corporate strategic plans and the documented KPIs are reviewed by executive management and the Board of Directors at monthly meetings.

These KPIs are reviewed on a regular basis to ensure relevance at any particular point in time. Business activities are reviewed and altered to adhere to these documents.

Key Performance Indicators

	2015	*2014*
	$	*$*
Bar - Castle Hill RSL Club		
Gross profit percentage	**67.0%**	65.6%
Wages to sales percentage	**29.4%**	28.9%
Catering - Castle Hill RSL Club		
Gross profit percentage	**64.6%**	66.0%
Wages to sales percentage	**51.8%**	51.6%
Bar - Parramatta RSL Club		
Gross profit percentage	**60.5%**	61.7%
Wages to sales percentage	**31.7%**	28.7%
Employee benefits - percentage of Consolidated Revenue & Other Income	**32.1%**	31.5%
EBITDAD percentage - Consolidated	**18.3%**	20.0%

No figures included for Lynwood Country Club in 2014 comparatives.

Directors' report (continued)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Amalgamation of Lynwood Country Club on 1 Dec 2014

The next 24 months will see significant capital expenditure at each of our premises as we prepare for the changing demographics of each of our LCA area with significant residential growth predicted for Hills, Parramatta and Hawkesbury this shift in demographics will require us to adopt different management and design strategies to be relevant for the changing demographics of the market.

The initial expenditure will be to our Lynwood premises as we redevelop the club and its activities to build a solid and long term sustainable business with the construction of a large children's playground, animal / petting farm, large al fresco area, Café and we are currently finalising the complete refurbishment of the club house which includes a new Sports Lounge, TAB / KENO, function facilities and a complete facelift to the restaurant and general lounge areas. This facility will soon be the newest and best equipped hospitality venue in the area and the success will be driven by the family and dining markets.

The second stage will see the promotion and repositioning of golf and golf activities. A new temporary Pro-Shop has been constructed and the construction of 18 undercover hitting bays to complement the existing 160 metres of couch Driving Range. This will be complimented with a High Performance Golf Academy with Sam Putting Labs, Golf Simulators, Balance Plate technology, Specialised Fitting Centre, Golf gym, Training / Education Rooms and high level golf coaching staff – this facility will be one of the most advanced in the golfing community and we anticipate it will bring golfers from far a-field to discuss the amazing facilities of Lynwood and the area.

Castle Hill will refurbish the Courtyard Cafe and restaurant and will see drastic transformation of the Outdoor Courtyard areas as we address the trading issues relating to inclement weather. The Courtyard will be extended and a large portion covered to allow water proofing, heating and cooling, this will be complemented by a large outdoor playground, parents room and additional areas.

The board and management are committed to realising the Parramatta development and we will continue to work with Parramatta Council to resolve our Development Application and start work to this multimillion dollar development project. This remains the future development priority for the club and we believe this will position the group in an extremely solid position in the future.

There have been no other significant changes in the state of affairs of the Group during the year.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

There have been no significant events occurring after the reporting date which may affect either the Group's operations or results of those operations or the Group's state of affairs.

Directors' report (continued)

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been an officer of the Company.

AUDITOR INDEMNIFICATION

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

AUDITOR INDEPENDENCE

The directors received an independence declaration from the auditor, Ernst & Young. A copy has been included on page 7 of the report.

Signed in accordance with a resolution of the directors.

Warren Edward Glenny
Director

Castle Hill, 4 September 2015

Robert Bruce Duncan
Director

Castle Hill, 4 September 2015

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Auditor's Independence Declaration to the Directors of Castle Hill RSL Club Limited and its controlled entity

In relation to our audit of the financial report of Castle Hill RSL Club Ltd and its controlled entity for the financial year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Daniel Cunningham
Partner
Sydney

4 September 2015

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2015

	Notes	*2015* $	*2014* $
Revenue			
Sale of goods		**12,449,033**	11,716,050
Rendering of services		**46,690,754**	43,632,427
Total revenue	4	**59,139,787**	55,348,477
Other income	4	**210,861**	488,946
Total revenue and other income		**59,350,648**	55,837,423
Expenses			
Raw materials and consumables used	5	**(5,048,950)**	(4,577,125)
Employee benefits expense		**(19,025,595)**	(17,615,387)
Poker machine license and taxes		**(8,342,684)**	(7,857,192)
Marketing and entertainment expenses		**(1,595,772)**	(1,514,318)
Members benefits and promotions		**(3,024,065)**	(2,713,954)
Occupancy and property expenses		**(8,355,060)**	(7,715,221)
Leases and rental expenses	5	**(196,157)**	(189,382)
Other expenses		**(2,871,529)**	(2,481,745)
		(48,459,812)	(44,664,324)
Earnings before other comprehensive income, depreciation and amortisation, finance costs, income tax expense, donations		**10,890,836**	11,173,099
Depreciation and amortisation	5	**(6,722,710)**	(6,840,755)
Finance costs	5	**(461,670)**	(631,896)
Donations		**(993,082)**	(1,051,918)
Profit before income tax expense		**2,713,374**	2,648,530
Income tax expense		-	-
Net profit after tax expense attributable to members		**2,713,374**	2,648,530
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Gain on amalgamation	23	**5,156,519**	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**5,156,519**	-
Other comprehensive income for the year		**5,156,519**	**-**
Total comprehensive income for the year attributable to members		**7,869,893**	2,648,530

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 30 June 2015

	Notes	**2015** $	2014 $
Assets			
Current assets			
Cash and short-term deposits	6	**6,258,562**	4,099,340
Trade and other receivables	7	**189,102**	249,157
Inventories	9	**674,372**	590,412
Prepayments		**894,021**	809,083
Total current assets		**8,016,057**	5,747,992
Non-current assets			
Financial assets	8	**2,516**	2,516
Property, plant and equipment	10	**93,667,255**	87,622,964
Intangible assets	11	**4,278,889**	3,317,757
Total non-current assets		**97,948,660**	90,943,237
Total assets		**105,964,717**	96,691,229
Liabilities and equity			
Current liabilities			
Trade and other payables	12	**4,314,086**	3,477,364
Interest-bearing loans and borrowings	14	**2,481,497**	933,830
Employee benefit liabilities	13	**1,904,629**	1,591,813
Other current liabilities	15	**659,065**	681,621
Total current liabilities		**9,359,277**	6,684,628
Non-current liabilities			
Employee benefit liabilities	13	**330,566**	336,721
Interest-bearing loans and borrowings	14	**9,571,575**	10,848,000
Other non-current liabilities	15	**219,549**	208,023
Total non-current liabilities		**10,121,690**	11,392,744
Total liabilities		**19,480,967**	18,077,372
Members' funds			
Reserves	16	**24,283,986**	19,127,467
Retained earnings		**62,199,764**	59,486,390
Total members' funds		**86,483,750**	78,613,857
Total members' funds and liabilities		**105,964,717**	96,691,229

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 30 June 2015

	Reserves (Note 16) $	*Retained earnings $*	*Total $*
At 1 July 2014	**19,127,467**	**59,486,390**	**78,613,857**
Profit for the year	**-**	**2,713,374**	**2,713,374**
Other comprehensive income	**5,156,519**	**-**	**5,156,519**
Total comprehensive income for the year	**5,156,519**	**2,713,374**	**7,869,893**
At 30 June 2015	**24,283,986**	**62,199,764**	**86,483,750**
At 1 July 2013	19,127,467	56,837,860	75,965,327
Profit for the year	-	2,648,530	2,648,530
Other comprehensive income	-	-	-
Total comprehensive income for the year		2,648,530	2,648,530
At 30 June 2014	19,127,467	59,486,390	78,613,857

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 30 June 2015

	Notes	2015 $	2014 $
Operating activities			
Receipts from customers		**60,577,379**	61,100,444
Payments to suppliers and employees		**(50,669,586)**	(52,300,216)
Interest received		**23,687**	14,869
Interest paid		**(372,335)**	(631,896)
Rent received		**174,144**	142,486
Grant received		**-**	289,297
Net cash flows from operating activities		**9,733,289**	8,614,984
Investing activities			
Proceeds from sale of property, plant and equipment		**-**	49,091
Purchase of property, plant and equipment		**(5,524,959)**	(6,698,752)
Purchase of intangibles		**(417,588)**	(312,461)
Net cash flows used in investing activities		**(5,942,547)**	(6,962,122)
Financing activities			
Finance lease and hire purchase repayments		**(265,760)**	(684,140)
Repayments of borrowings		**(1,365,760)**	(891,195)
Net cash flows used in investing activities		**(1,631,520)**	(1,575,335)
Net increase in cash and cash equivalents		**2,159,222**	77,527
Cash and cash equivalents at beginning of year		**4,099,340**	4,021,813
Cash and cash equivalents at end of year	6	**6,258,562**	4,099,340

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

For the year ended 30 June 2015

1 CORPORATE INFORMATION

The financial report of Castle Hill RSL Club Limited and its controlled entity (the "Group") for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 4 September 2015.

Castle Hill RSL Club Limited (the "Company/Club") is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

The Company's registered office and principal place of business is 77 Castle Street Castle Hill, NSW 2154.

The nature of the operations and principal activities of the Group are described in the directors' report.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars.

Statement of compliance

The financial statements of the Group comply with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

Parent entity information

In accordance with the *Corporation Act 2001,* these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in noted 22.

(b) Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

At 30 June 2015, the Club’s total current liabilities exceeded total current assets by $1,343,220 (2014: total current liabilities exceeded total current assets by $936,636. Given that there are $2,070,097 of financing facilities available for use at 30 June 2015 (2014: $6,290,572), the Directors have concluded that the use of the going concern assumption in the preparation of this year's financial report is appropriate.

(c) Changes in accounting policy, disclosures, standards and interpretations

(i) Changes in accounting policies, new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year.

The new and amended Australian Accounting Standards and AASB Interpretations that apply for the first time in 2014/2015 do not impact the financial statements of the Group.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Castle Hill RSL Club Limited as at 30 June 2015 and the results of all subsidiaries for the year then ended. Castle Hill RSL Club Limited and its subsidiaries together are referred to in these financial statements as the ‘Group’.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The name of the controlled entity is Reltsac Pty Limited.

All inter-group balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation.

(f) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/noncurrent classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the Group's normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Group classifies all other assets as non-current.

A liability is current when:
- It is expected to be settled in the Group's normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(g) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Business combinations and goodwill

Club amalgamations are accounted for in accordance with AASB 3 Business Combinations using the acquisition method, with transaction costs directly attributable to the amalgamation forming part of the acquisition costs.

This method involves recognising the fair values of the identifiable assets acquired and liabilities assumed. The difference between the above items and the fair value of the consideration represents either goodwill or gain on amalgamation in other comprehensive income.

(h) Trade and other receivables

Trade debtors and other receivables represent the principal amounts due at reporting date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

Current trade and other receivables are non-interest bearing and generally on 30-day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. These amounts have been included in the other expenses item.

(i) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at balance date using the weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(j) Financial instruments – initial recognition and subsequent measurement

Initial recognition

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available for sale (AFS) financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial assets are recognised initially at fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

AFS financial assets

AFS financial assets include equity investments. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Financial instruments – initial recognition and subsequent measurement (continued)

Subsequent measurement (continued)

AFS financial assets (continued)

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealised gains or losses recognised as OCI and credited in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income in the statement of profit or loss and other comprehensive income, or the investment is determined to be impaired when the cumulative loss is reclassified from the AFS reserve to the statement of profit or loss and other comprehensive income in finance costs. Interest earned while holding AFS financial assets is reported as interest income using the EIR method in the statement of profit or loss and other comprehensive income.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(k) Property, plant and equipment

Capital work in progress, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land and buildings are shown at historical cost less accumulated depreciation for buildings and accumulated impairment losses for land and buildings.

The depreciation rates used for each class of depreciable assets are:

Buildings and improvements	2.5% - 10%
Plant and equipment	7.5% - 40%
Motor Vehicles	13% - 20%
Leased plant and equipment	7.5% - 20%
Poker machines	20% - 25%

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Property, plant and equipment (continued)

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(l) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. An operating lease is a lease other than a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss and other comprehensive income.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

(m) Impairment of non-financial 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Intangible assets

Poker machine entitlements

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.

Water Licenses

Water usage licenses are not amortised. Instead, water usage licenses 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.

(o) Trade and other payables

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.

(p) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for a least 12 months after the reporting date.

(q) Borrowing costs

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other cost the Group incurs in connection with the borrowing of funds.

(r) Provisions and employee benefit liabilities

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

Wages and salaries

Liabilities for wages and salaries, including non-monetary benefits, which are expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Provisions and employee benefit liabilities (continued)

Long service leave and annual leave

The Group does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. The Group recognises a liability for long service leave and annual leave 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 currencies that match, as closely as possible, the estimated future cash outflows.

(s) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates, if any.

Rendering of services

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.

Interest income

Interest income is recorded using the effective interest rate (EIR) method. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit or loss and other comprehensive income.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue due to its operating nature.

Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Taxes

No charge has been made for an income tax expense as the company received an exemption from Income Tax under Section 50-45 of the Income Tax Assessment Act (1997).

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable
- When receivables and payables are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies, if any, are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows 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 part of operating cash flows.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2015

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Intangible assets

As discussed above, 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 consolidated entity from the use of these licenses. In determining the present value of the cash inflows growth rate and appropriate discount factor have been considered.

Customer loyalty program

The company operates a loyalty program where customers accumulated points for dollars spent. The award points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of the sale. Expense from the award points is recognised when the points are redeemed. The amount of expense is based on the number of points redeemed relative to the total number expected to be redeemed.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2015

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Long service leave provision

As discussed above, 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2015

4 REVENUE AND OTHER INCOME

	2015 $	2014 $
Sale of goods		
Bar sales	**5,497,226**	5,214,071
Catering sales	**6,951,807**	6,501,979
Total sale of goods	**12,449,033**	11,716,050
Rendering of services		
Poker machines - net clearances	**33,329,602**	31,576,759
Fitness centre income	**8,591,427**	8,645,153
Functions centre income	**1,221,038**	1,012,932
Golf income	**734,712**	-
Pro Shop income	**194,004**	-
Members' subscription	**722,843**	709,284
Commission received	**593,589**	528,519
Sundry income	**1,303,539**	1,159,780
Total rendering of services	**46,690,754**	43,632,427
Total revenue	**59,139,787**	55,348,477
Other income		
Rental income	**185,174**	167,486
Interest received	**23,687**	14,868
Gain on disposal of non-current assets	**2,000**	17,295
Grant income	**-**	289,297
Total other income	**210,861**	488,946
Total revenue and other income	**59,350,648**	55,837,423

5 EXPENSES

Profit before income tax includes the following specific expenses:

	2015 $	2014 $
Cost of sales		
Cost of sales	**5,048,950**	4,577,125
	5,048,950	4,577,125
Finance costs		
Bank loans and overdrafts	**372,335**	546,292
Finance lease charges	**89,335**	85,604
	461,670	631,896
Rental expense relating to operating leases		
Minimum lease payments	**196,157**	189,382

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2015

5 EXPENSES (continued)

	2015 $	2014 $
Depreciation		
Buildings and improvements	**1,926,666**	1,833,052
Plant and equipment	**2,569,112**	2,764,489
Poker machines	**1,469,707**	1,451,169
Motor vehicles	**14,394**	13,289
Amortisation		
Leased plant and equipment	**742,831**	778,756
	6,722,710	6,840,755

6 CASH AND SHORT-TERM DEPOSITS

	2015 $	2014 $
(a) Cash and short-term deposits		
Cash at bank and in hand	**2,916,189**	2,698,876
Short-term bank deposits	**3,342,373**	1,400,464
	6,258,562	4,099,340

(b) Non-cash investing activities

During the year, property, plant and equipment amounting to $523,500 (2014: $654,237) was acquired by the way of hire purchase transactions. These transactions are not reflected in the consolidated statement of cash flow.

7 TRADE AND OTHER RECEIVABLES

	2015 $	2014 $
Trade debtors	**6,725**	13,744
Provisions for doubtful debts	**(6,119)**	(6,119)
	606	7,625
Other debtors and deposits	**188,496**	241,532
	189,102	249,157

8 FINANCIAL ASSETS

	2015 $	2014 $
Shares - available for sale	**2,516**	2,516

9 INVENTORIES

Finished goods - at cost	**674,372**	590,412

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2015

10 PROPERTY, PLANT AND EQUIPMENT

	2015 $	2014 $
Freehold land		
At cost	**17,650,000**	13,650,000
Net carrying amount	**17,650,000**	13,650,000
Buildings and improvements		
At cost	**76,574,375**	73,367,981
Accumulated depreciation	**(16,530,091)**	(14,603,425)
Net carrying amount	**60,044,284**	58,764,556
Plant and equipment		
At cost	**36,027,800**	32,030,655
Accumulated depreciation	**(26,098,012)**	(22,101,800)
Net carrying amount	**9,929,788**	9,928,855
Poker machines		
At cost	**16,400,632**	14,365,597
Accumulated depreciation	**(13,441,076)**	(11,710,995)
Net carrying amount	**2,959,556**	2,654,602
Motor vehicles		
At cost	**64,458**	64,458
Accumulated depreciation	**(46,436)**	(32,042)
Net carrying amount	**18,022**	32,416
Leased plant and equipment		
At capitalised cost	**7,153,996**	6,445,697
Accumulated amortisation	**(5,604,037)**	(4,827,368)
Net carrying amount	**1,549,959**	1,618,329

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2015

10 PROPERTY, PLANT AND EQUIPMENT (continued)

	2015	*2014*
	$	*$*
Capital works in progress - at cost		
At cost	**1,515,646**	974,206
Net carrying amount	**1,515,646**	974,206
Total property, plant and equipment		
At cost	**155,386,907**	140,898,594
Accumulated depreciation and amortisation	**(61,719,652)**	(53,275,630)
Net carrying amount	**93,667,255**	87,622,964

Refer to Note 14 for details of security over property, plant and equipment.

Valuation
The independent valuation of the Group's land and buildings (located at Castle Hill) carried out as at 24 February 2015 by Global Valuation Services Pty Limited on the basis of the market value for existing use resulted in a valuation of land and buildings of $75,820,000. As land and buildings are recorded at cost, the valuation has not been brought to account.

The independent valuation of the Group's land and buildings (located at Parramatta) carried out as at 24 February 2015 by Global Valuation Services Pty Limited on the basis of the market value for existing use resulted in a total valuation of $20,950,000. As land and buildings are recorded at cost, the valuation has not been brought to account.

The independent valuation of the Group's land and buildings (located at Lynwood Country Club at Pitttown) carried out as at 10 September 2014 by Global Valuation Services Pty Limited on the basis of market value for existing use resulted in a valuation of land and buildings of $6,190,000. The valuation was used to determine fair value on acquisition of the Lynwood Country Club on 1 December 2014 – refer note 23.

The directors do not believe that there has been a material movement in the fair value since the valuation date.

Core properties
The following are core properties:

- 77 Castle St, Castle Hill NSW 2154
- 2 Macquarie Street, Parramatta NSW 2150
- 7 Macquarle Street, Parramatta NSW 2150
- 253 Pitt Town Bottoms Road, Pitt Town NSW 2756

There are no non-core properties owned by the Group.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2015

10 PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of carrying amounts at the beginning and end of the year

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:

	2015 ***$***
Freehold land	
Cost	
At 1 July	**13,650,000**
Acquired on amalgamation	**4,000,000**
At 30 June	**17,650,000**
Buildings and improvements	
At 1 July	**58,764,556**
Additions	**1,016,394**
Acquired on amalgamation	**2,190,000**
Depreciation expense	**(1,926,666)**
At 30 June	**60,044,284**
Plant and equipment	
Cost	
At 1 July	**9,928,855**
Additions	**1,683,446**
Acquired on amalgamation	**886,599**
Depreciation expense	**(2,569,112)**
At 30 June	**9,929,788**
Poker machines	
At 1 July	**2,654,602**
Additions	**1,760,196**
Acquired on amalgamation	**14,465**
Depreciation expense	**(1,469,707)**
At 30 June	**2,959,556**
Motor vehicles	
At 1 July	**32,416**
Depreciation expense	**(14,394)**
At 30 June	**18,022**
Leased plant and equipment	
At 1 July	**1,618,329**
Additions	**523,483**
Acquired on amalgamation	**150,978**
Amortisation expense	**(742,831)**
At 30 June	**1,549,959**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2015

10 PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of carrying amounts at the beginning and end of the year (continued)

	2015
	$
Capital works in progress - at cost	
At 1 July	**974,206**
Additions	**541,440**
At 30 June	**1,515,646**
Total property, plant and equipment	
At 1 July	**87,622,964**
Additions	**5,524,959**
Acquired on amalgamation	**7,242,042**
Depreciation expense	**(6,722,710)**
At 30 June	**93,667,255**

11 INTANGIBLE ASSETS

	2015	*2014*
	$	*$*
Poker machines entitlements		
Cost (gross carrying amount)	**4,023,889**	3,317,757
Net carrying amount	**4,023,889**	3,317,757
Water usage license		
Cost (gross carrying amount)	**255,000**	-
Net carrying amount	**255,000**	**-**
Total Intangibles		
Cost (gross carrying amount)	**4,278,889**	**3,317,757**
Net carrying amount	**4,278,889**	**3,317,757**

As at 30 June 2015, these assets were tested for impairment.

Movement		
Poker machines entitlements		
Opening net book amount	**3,317,757**	3,005,296
Additions	**417,588**	312,461
Acquired on amalgamation	**288,544**	-
Closing carrying value	**4,023,889**	3,317,757
Water usage license		
Opening net book amount	**-**	-
Acquired on amalgamation	**255,000**	-
Closing carrying value	**255,000**	-

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2015

11 INTANGIBLE ASSETS (continued)

Impairment calculation for poker machine entitlement

At the end of the reporting period the Group assessed the recoverable amount of poker machine entitlement based on the value in use methodology. The Group uses the daily net income earned (excluding GST) per machine per day and multiplies by the number of poker machine entitlements it has paid for. The value in use recoverable amount for each entitlement is calculated by dividing the total value of the entitlements with the actual number of entitlements. The value thus arrived, was in excess of the carrying value and accordingly no impairment losses were recognised.

12 TRADE AND OTHER PAYABLES

	2015	*2014*
	$	*$*
Trade creditors	**1,986,275**	1,524,407
Goods and services tax (GST) payable	**219,770**	207,300
Other creditors and accruals	**2,108,041**	1,745,657
	4,314,086	3,477,364

13 EMPLOYEE BENEFIT LIABILITIES

	2015	*2014*
	$	*$*
Current		
Employee benefits	**1,904,629**	1,591,813
	1,904,629	1,591,813
Non-current		
Employee benefits	**330,566**	336,721
	330,566	336,721

Superannuation plans

Contributions

The Group is under a legal obligation to contribute 9.5% of each employee's base salary to a superannuation fund.

14 INTEREST-BEARING LOANS AND BORROWINGS

	2015	*2014*
	$	*$*
Current		
Unsecured with amortised cost		
Secured		
Commercial bill facility	**1,550,000**	149,167
Hire purchase liabilities	**641,680**	531,489
Finance lease liabilities	**32,481**	-
Unsecured		
Insurance premium funding	**257,336**	253,174
	2,481,497	933,830

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2015

14 INTEREST-BEARING LOANS AND BORROWINGS (continued)

	2015	*2014*
	$	*$*
Non-current		
Secured		
Commercial bill facility	**9,050,833**	10,181,666
Hire purchase liabilities	**416,009**	666,334
Finance lease liabilities	**104,733**	-
	9,571,575	10,848,000

Financing arrangements

The consolidated entity has access to the following lines of credit:

Total facilities available:		
Commercial bill facility	**10,708,333**	12,269,167
Business card	**50,000**	50,000
Asset/equipment finance	**3,000,000**	5,500,000
Insurance premium funding	**257,336**	253,175
Multi Option facility	**107,500**	-
	14,123,169	18,072,342
Facilities utilised at reporting date:		
Commercial bill facility	**10,600,833**	10,330,833
Asset/equipment finance	**1,194,903**	1,197,822
Insurance premium funding	**257,336**	253,175
	12,053,072	11,781,830

Commercial bill facility

The facility is based on a variable interest rate which at year end was 3.34%. Repayment terms are $387,500 on a quarterly basis.

Hire purchase and leases

The consolidated entity purchased certain plant and equipment under finance leases and hire purchase arrangements from the bank. This facility is also secured by a fixed and floating charge of the assets of the consolidated entity together with the commercial bill facility.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2015

14 INTEREST-BEARING LOANS AND BORROWINGS (continued)

Security

The commercial bill facility is secured

a) First Registered Company Charge (Mortgage Debenture) dated 1 February 2011 over all the assets and undertaking of Castle Hill RSL Club Ltd.

This is a fixed and floating charge over all present and future assets. undertaking (including goodwill) and unpaid/uncalled capital of the company, inclusive of poker machine entitlements.

b) First Registered Mortgage dated 1 February 2011 over Certificate of Title Folio identifier 1/1080161 given by Castle Hill RSL Club Ltd over the property situated at 77 Castle Street, Castle Hill NSW.

c) Tripartite agreement dated 1 February 2011 between Australia and New Zealand Banking Group Ltd, Castle Hill RSL Ltd and the licensee in respect of the liquor licence and poker machine entitlements for the premises at 77 Castle St, Castle Hill NSW being folio identifier 111080161.

The carrying amount of the pledged assets is as follows:

	2015	*2014*
	$	*$*
Freehold land	**17,650,000**	13,650,000
Buildings	**60,044,284**	58,764,556
Total pledged assets	**77,694,284**	72,414,556

15 OTHER LIABILITIES

	2015	*2014*
	$	*$*
Current		
Income received in advance	**659,065**	681,621
Non-current		
Income received in advance	**219,549**	208,023

16 RESERVES

	2015	*2014*
	$	*$*
Capital profit reserve	**19,127,467**	19,127,467
Amalgamation reserve	**5,156,519**	-
	24,283,986	19,127,467

Capital profits reserve

The capital profits reserve represents realised capital profit on sale of freehold property in prior years.

Amalgamation reserve

The amalgamation reserve is used to record differences between the fair value of net asset acquired through amalgamation and consideration paid.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2015

17 COMMITMENTS

Finance lease commitments

	2015 $	2014 $
Finance lease rentals commitments are payable:		
Within one year	**133,614**	-
One year or later and no later than five years	**146,911**	-
Later than five years	**14,450**	
Minimum finance lease payments	**294,975**	-

The Group leases property, plant and equipment under finance leases expiring from one to five years. At the end of the lease term the consolidated entity has the option to purchase the equipment at a price deemed to be a bargain purchase option. The lease facility is secured against the assets purchased under this facility.

Hire purchase commitments

	2015 $	2014 $
Hire purchase payments are payable as follows:		
Within one year	**685,330**	590,502
One year or later and no later than five years	**582,983**	706,527
Minimum hire purchase payments	**1,268,313**	1,297,029

The Group hires property, plant and equipment under hire purchase agreements expiring from one to five years. At the end of the hire purchase term the consolidated entity has the option to purchase the equipment. The hire purchase facility is secured against the assets purchased under this facility.

18 CONTINGENT LIABILITIES

	2015 $	2014 $
Bank guarantees		
The Group has given the following bank guarantees:		
TAB Corp Limited	**17,000**	12,000
Hills Shire Council	**-**	60,000
	17,000	72,000

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2015

19 KEY MANAGEMENT PERSONNEL DETAILS

(a) Directors

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

Warren Edward Glenny (Chairman)
Rick Anthony Cumming
David Bruce Wood
Robert Bruce Duncan
Walter Hromow
Ronald Mervyn Smith
Donald Montague Tait
David Elliott
David Lance Cronan

(b) Other Key Management Personnel

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

Name	Position
David O'Neil	Group General Manager
Brett Crastin	Group Operations Manager
Nadeem Ali	Group Chief Financial Officer
Brent Williams	Group Human Resources Manager (Resigned 11 August 2015)
Allan DePaoli	Group Facilities Manager

(c) Key Management Personnel Compensation

	2015	*2014*
	$	*$*
Benefits and payments made to the directors and other key management personnel	1,261,769	1,215,849

(d) Transaction with related parties

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.

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 existing at year end.

20 RELATED PARTIES

Key management personnel

Disclosures relating to key management personnel are set out in Note 19.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2015

21 EVENTS AFTER THE REPORTING DATE

There have been no significant events occurring after the reporting date which may affect either the Group's operations or results of those operations or the Group's state of affairs.

22 PARENT ENTITY DISCLOSURE

	2015	*2014*
	$	*$*
ASSETS		
Current assets	**8,026,057**	5,747,992
Non-current assets	**97,948,660**	90,953,237
Total assets	**105,974,717**	96,701,229
LIABILITIES		
Current liabilities	**9,369,277**	6,694,628
Non-current liabilities	**10,121,690**	11,392,744
Total liabilities	**19,490,967**	18,087,372
MEMBERS' FUNDS		
Capital profit reserve	**24,283,986**	19,127,467
Retained earnings	**62,199,764**	59,486,390
	86,483,750	78,613,857
Net profit after income tax expense	**2,713,368**	2,648,530
Other comprehensive income/gain on amalgamation	**5,156,519**	-
Total comprehensive income for the year	**7,869,887**	2,648,530
Contingent liabilities	**17,000**	72,000

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2015

23 BUSINESS COMBINATION

On 1 December 2014, Castle Hill RSL Club Limited acquired all assets and liabilities of Lynwood Country Club for nil consideration.

The fair value of the assets and liabilities acquired as at the date of acquisition were:

	2014
	$
Assets	
Cash and short term deposits	182,585
Trade and other receivables	32,988
Inventories	49,131
Property, plant and equipment	7,242,042
Water usage license	255,000
Poker machines entitlements	288,544
	8,050,290
Liabilities	
Trade and other payables	(462,780)
Employee benefit liabilities	(130,574)
Hire purchase liabilities	(155,532)
Income received in advance	(331,458)
Interest bearing loan	(1,813,427)
	(2,893,771)
Net assets acquired	5,156,519
Purchase consideration transferred	-
Gain on amalgamation	**5,156,519**

Directors' declaration

In accordance with a resolution of the directors of Castle Hill RSL Club Limited , I state that:

In the opinion of the directors:

(a) The financial statements and notes of the Company and its controlled entity for the financial year ended 30 June 2015 are in accordance with the *Corporations Act 2001,* including:

 (i) giving a true and fair view of the Company and its controlled entity's financial position as at 30 June 2015 and its performance for the year ended on that date; and

 (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Principles) and the *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.

On behalf of the Board

Warren Edward Glenny
Director

Castle Hill, 4 September 2015

Robert Bruce Duncan
Director

Castle Hill, 4 September 2015

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Independent auditor's report to the members of Castle Hill RSL Club Limited

Report on the financial report

We have audited the accompanying financial report of Castle Hill RSL Club, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is attached to the directors' report.

Opinion

In our opinion the financial report of Castle Hill RSL Club is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the financial position of the consolidated entity at 30 June 2015 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Ernst & Young

Ernst & Young

Daniel Cunningham

Daniel Cunningham
Partner
Sydney
4 September 2015