

# Balmain Leagues' Club Ltd

ABN 33 000 190 161

## Financial Statements

For the Year Ended 31 October 2014

# Balmain Leagues' Club Ltd

ABN 33 000 190 161

For the Year Ended 31 October 2014

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# Balmain Leagues' Club Ltd

ABN 33 000 190 161

Directors' Report

31 October 2014

Your directors present their report on the company for the financial year ended 31 October 2014.

## Directors

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

<b>Names</b>	<b>Appointed/Resigned</b>
Kevin Rooney (President)	
John Pearson (Vice President)	Resigned 1 July 2014
Dr Leslie Glen	
Mark Crowe	Resigned 3 August 2014
Steve Lavers	
Danny Stapleton	
Dawn Fraser	Resigned 7 January 2015
Nicholas Di Girolamo	Resigned 9 December 2013
James Myatt	
Garry Leo	Appointed 25 March 2014
John Chalk	Appointed 28 April 2015
Gary Thomson	Appointed 28 April 2015

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

## Principal Activity

The principal activity of the company during the financial year was operating licensed clubs.

No significant change in the nature of this activity occurred during the financial year.

## Objectives

The company's short-term objectives are to:

- continue negotiations with the club's secured creditor to resolve a long term sustainable and viable debt repayment plan in line with the club's immediate and long term trade expectations;
- provide members and the local communities with a hospitality offering that strives to exceed expectations;
- provide Tigers staff with training and development opportunities;
- participate in and contribute to local community events;
- support the District in endeavours to promote the development of Rugby League Football players, coaches and administrators in line with the club's Constitution.

# Balmain Leagues' Club Ltd

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Directors' Report

31 October 2014

## Objectives (continued)

The company's long-term objectives are to:

- continue to promote, maintain and protect our proud history;
- be professional, progressive and performance oriented;
- anticipate and strive to exceed customer expectations;
- provide the best opportunities and pathways possible for all TIGERS employees;
- remain an active and integral part of our local communities.

## Strategies

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

- maintain a relationship and communication with its secured creditor;
- continue to implement strategies to grow its business at both hospitality venues;
- work closely with its members to ensure that member expectations are being met and often exceeded;
- provide community development support expenditure funding to local community projects;
- provide in-house and external training to TIGERS staff.

## Key Performance Measures

The company uses financial and non-financial data to measure its performance on a continuous basis. This is achieved by comparing financial performance to budget and to industry standards.

# Balmain Leagues' Club Ltd

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Directors' Report

31 October 2014

## Information on Directors

### **Kevin Rooney**

Professional

Club Involvement  
Committee Member

President  
Retired  
Former Business Manager  
Member of the Board since 1987  
Disciplinary  
President, Black & Gold

### **John Pearson**

Professional

Club Involvement  
Committee Member

Vice President (resigned)  
Chairman, Sydney Markets Limited  
Director, Randwick Petersham Foundation (Cricket)  
Member of the Board since 2001  
West's Tigers Board from 2013 - 2014  
Finance  
Corporate Governance (Chairman)

### **Dr Leslie Glen**

Qualifications

Club Involvement

Committee Member

Director  
Consultant Surgeon Balmain District Hospital 1975 - 1993  
Vila Central Hospital (Republic of Vanuatu) 1985 - 1988  
Concord Repatriation General Hospital 1993 - present  
Member of the Board since 1989  
Resigned 1999  
Re-appointed 2000  
West's Tigers Board 2001- 2014  
Chairman, Balmain Tigers Rugby League Football Club Limited since 2013  
Football  
Corporate Governance

### **Mark Crowe**

Professional

Club Involvement

Committee Member

Director (resigned)  
Managing Director, Brand Finance Australia (current)  
Chief Executive Officer, Australian Marketing Institute  
Bachelor of Commerce (UNSW)  
Member of the Board since 2004  
West's Tigers Board 2011- 2014  
Finance (Chairman)  
Corporate Governance

# Balmain Leagues' Club Ltd

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Directors' Report

31 October 2014

## Information on Directors (continued)

<b>Steve Lavers</b>	Director
Qualifications	Player 1975-1982 Company Director Advanced Diploma of Business Management (University of Ballarat) Certificate IV Career Development
Club Involvement	Member of the Board since 1993 Resigned 1995 Re-appointed 1998 West's Tigers Board 2007 - 2012
Committee Member	Football Corporate Governance
<b>Danny Stapleton</b>	Director
Qualifications	Player 1985-1994 Director, Priority Coatings Pty Ltd
Club Involvement	Member of the Board since 2003 West's Tigers Board (alternate) since 2003, full Director since 2011 Deputy Chairman, Balmain Tigers Rugby League Football Club Limited since 2013
Committee Member	Football (Chairman)
<b>Dawn Fraser AO MBE</b>	Business Director (resigned)
Professional	Olympian 1956, 1960, 1964 Director, NRMA Motoring Services Ltd
Club Involvement	Member of the Board since 1997 West's Tigers Board since 1999
<b>Nicholas Di Girolamo</b>	Director (resigned)
Professional	Chairman, Australian Water Holdings Chairman, Italian Chamber of Commerce Member, NSW Government Italian Ministerial Consultative Committee Board Director, European Australian Business Council Member, UNSW Faculty of Science Advisory Council
Club Involvement	Member of the Board since 2011 West's Tigers Board 2012 Chairman, West's Tigers Board 2012

# Balmain Leagues' Club Ltd

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Directors' Report

31 October 2014

## Information on Directors (continued)

### James Myatt

#### Qualifications

Business Director  
Managing Director, Enegei (current)  
CEO, Sungevity Australia, 2014  
CEO & Managing Director, Australian Power & Gas 2006-2013  
Director/Chairman, Energy Retailers Association 2009-2013  
Director, Entrust Energy LLC since 2010  
Masters of Marketing (Monash)  
Graduate of Australian Institute of Company Directors  
Fellow Australian Marketing Institute  
Certified Practising Marketer

#### Club Involvement

#### Committee Member

Member of the Board since 2013  
Finance

### Garry Leo

#### Qualifications

Director  
Player 1963-1974  
Retired Club Manager  
President, Newcastle Branch Men of League  
Director, Hunter Prostrate Cancer Alliance  
Life Member of Balmain District Rugby League Football Club  
Member of the Board since 2014

### John Chalk

#### Qualifications

Director  
Retired Company Director  
Former Chairman/Director NRL  
Former Chairman/Director ARL  
Former Chairman/Director NSW Rugby League  
Current president NSW Rugby League  
Life Member NSW Rugby League  
Director Guardian Youth Care  
Former Chairman Balmain Tigers Rugby League Football Club  
Former Director Balmain Tigers Rugby League Football Club  
Former Director Balmain Leagues Club  
Former Chairman Wests Tigers  
Former Director West Tigers  
Director – Appointed by the Board April 2015

#### Club Involvement

# Balmain Leagues' Club Ltd

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Directors' Report

31 October 2014

## Information on Directors (continued)

<b>Gary Thomson</b>	Business Director
Qualifications	Player 1974-1975 Assistant General Manager – Singleton Council (current) Board Member and Current Chairman Northern Beaches Credit Union Graduate Diploma Local Government Management (Deakin University) Diploma of Government (Management)
Club Involvement	Director - appointed by the Board April 2015

## Meetings of directors

During the financial year, 12 Board meetings and 9 Finance Committee meetings were held. Attendances by each director during the year were as follows:

	Board Meetings		Finance Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Kevin Rooney	12	10	-	-
John Pearson	8	6	5	3
Dr Leslie Glen	12	11	-	-
Mark Crowe	9	8	6	5
Steve Lavers	12	6	2	2
Danny Stapleton	12	10	-	-
Dawn Fraser	12	1	-	-
Nicholas Di Girolamo	1	1	-	-
James Myatt	12	11	9	8
Garry Leo	7	7	-	-

## Going Concern

Refer to Note 1(a) in the notes to the financial statements.

## Members' Guarantee

The company 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 \$4 each towards any outstanding obligations of the company. At 31 October 2014, the total amount that members of the company are liable to contribute if the company is wound up is \$64,420 (2013: \$63,852).



# Balmain Leagues' Club Ltd

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Directors' Report

31 October 2014

## Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 October 2014 has been received and can be found on page 8.

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

Director: .....  
  
James Myatt

Dated this 27th day of August 2015

# Balmain Leagues' Club Ltd

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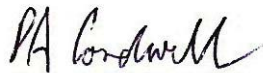
## Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 31 October 2014, there have been:

- (i) no contraventions of the auditor independence requirements as set out in 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.



Priestley & Morris  
Chartered Accountants



P A Cordwell  
Partner

Level 7  
3 Horwood Place  
Parramatta NSW 2150

Dated this 27th day of August 2015

# Balmain Leagues' Club Ltd

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## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 October 2014

	2014	2013
Note	\$	\$
Revenue	6,689,631	6,587,150
Other income	3(b) -	50,000
<b>Total revenue</b>	2 <b>6,689,631</b>	<b>6,637,150</b>
Administrative and running costs	(2,444,387)	(2,214,289)
Advertising, promotions, entertainment and membership expenses	(284,220)	(334,346)
Finance costs	3(a) (885,647)	(918,262)
Cost of food and beverages sold	3(a) (437,115)	(471,654)
Depreciation and amortisation expense	3(a) (391,268)	(462,335)
Poker machine duty and licences	(1,267,042)	(1,211,388)
Employee benefits expense	(1,431,821)	(1,320,630)
Grant to Balmain Tigers Rugby League Football Club Limited	3(b) (268,018)	(476,284)
Community support expenditure	(12,578)	(8,605)
Other expenses	(149,484)	(204,014)
<b>Loss before income tax</b>	<b>(881,949)</b>	<b>(984,657)</b>
Income tax expense	4 -	-
<b>Loss for the year</b>	<b>(881,949)</b>	<b>(984,657)</b>
Other comprehensive income for the year	-	-
<b>Total comprehensive loss for the year</b>	<b>(881,949)</b>	<b>(984,657)</b>

The accompanying notes form part of these financial statements.

# Balmain Leagues' Club Ltd

ABN 33 000 190 161

## Statement of Financial Position

As At 31 October 2014

	Note	2014 \$	2013 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	318,495	323,322
Trade and other receivables	6	20,462	92,600
Inventories	7	43,453	51,488
Other current assets	8	12,477	-
<b>Total current assets</b>		<b>394,887</b>	<b>467,410</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	2,675,689	2,997,223
<b>Total non-current assets</b>		<b>2,675,689</b>	<b>2,997,223</b>
<b>TOTAL ASSETS</b>		<b>3,070,576</b>	<b>3,464,633</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	488,682	518,862
Borrowings	11	11,007,719	10,473,432
Provisions	12	166,150	175,378
Other liabilities	13	17,096	20,436
<b>Total current liabilities</b>		<b>11,679,647</b>	<b>11,188,108</b>
<b>Non-current liabilities</b>			
Provisions	12	52,000	42,900
Other liabilities	13	32,484	45,231
<b>Total non-current liabilities</b>		<b>84,484</b>	<b>88,131</b>
<b>TOTAL LIABILITIES</b>		<b>11,764,131</b>	<b>11,276,239</b>
<b>NET LIABILITIES</b>		<b>(8,693,555)</b>	<b>(7,811,606)</b>
<b>DEFICIENCY</b>			
Accumulated losses		(8,693,555)	(7,811,606)
<b>TOTAL DEFICIENCY</b>		<b>(8,693,555)</b>	<b>(7,811,606)</b>

The accompanying notes form part of these financial statements.

# Balmain Leagues' Club Ltd

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## Statement of Changes in Equity

For the Year Ended 31 October 2014

2014	Accumulated losses	Total
	\$	\$
Balance at 1 November 2013	(7,811,606)	(7,811,606)
Total comprehensive loss for the year	(881,949)	(881,949)
<b>Balance at 31 October 2014</b>	<b>(8,693,555)</b>	<b>(8,693,555)</b>

2013	Accumulated losses	Total
	\$	\$
Balance at 1 November 2012	(6,826,949)	(6,826,949)
Total comprehensive loss for the year	(984,657)	(984,657)
<b>Balance at 31 October 2013</b>	<b>(7,811,606)</b>	<b>(7,811,606)</b>

The accompanying notes form part of these financial statements.

# Balmain Leagues' Club Ltd

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## Statement of Cash Flows

For the Year Ended 31 October 2014

	Note	2014 \$	2013 \$
<b>Cash from operating activities:</b>			
Receipts from customers		7,369,404	7,233,237
Payments to suppliers and employees		(6,726,248)	(6,464,135)
Grant to Balmain Tigers Rugby League Football Club Limited	15(a)	(268,018)	(561,656)
Interest received		41,129	386
Finance costs		(11,210)	(36,160)
<b>Net cash generated by operating activities</b>		<b>405,057</b>	<b>171,672</b>
<b>Cash flows from investing activities:</b>			
Proceeds from sale of poker machine entitlements		-	50,000
Acquisition of property, plant and equipment		(69,734)	(124,327)
<b>Net cash used in investing activities</b>		<b>(69,734)</b>	<b>(74,327)</b>
<b>Cash flows from financing activities:</b>			
Repayment of borrowings		(303,792)	(72,217)
<b>Net cash used in financing activities</b>		<b>(303,792)</b>	<b>(72,217)</b>
<b>Net increase in cash held</b>		<b>31,531</b>	<b>25,128</b>
Cash and cash equivalents at beginning of financial year		271,583	246,455
<b>Cash and cash equivalents at end of financial year</b>	5(a)	<b>303,114</b>	<b>271,583</b>

The accompanying notes form part of these financial statements.

# Balmain Leagues' Club Ltd

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## Notes to the Financial Statements

For the Year Ended 31 October 2014

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The financial statements are for Balmain Leagues' Club Ltd as an individual entity, incorporated and domiciled in Australia. Balmain Leagues' Club Ltd is a company limited by guarantee.

### 1 Summary of Significant Accounting Policies

#### Basis of Preparation

The financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standards (AASB) - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, 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. The amount presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 27 August 2015 by the directors of the company.

#### Accounting Policies

##### (a) Going Concern

The company for the year ended 31 October 2014 incurred a loss of \$881,949 (2013 - \$984,657) and as at that date had current liabilities in excess of total assets by \$8,609,071 (2013 - \$7,723,475). The company did however generate net cash inflows from operations of \$405,057 (2013 - \$171,672),

These conditions indicate the existence of material uncertainty, which may cast significant doubt about the company's ability to continue as a going concern.

The directors have prepared the financial report on a going concern basis for the following reasons:

1. The two venues, Tigers Five Dock and Tigers Sydney Markets, are currently meeting trading expectations.
2. The directors have undertaken financial modelling to determine the feasibility of the business and cash flows of the two venues.

# Balmain Leagues' Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 October 2014

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## 1 Summary of Significant Accounting Policies (continued)

### (a) Going Concern (continued)

3. The repayment date of the working capital and refurbishment loans as well as capitalised interest recognised in the statement of financial position have been renegotiated with the principal financiers, Rozelle Village Pty Ltd and Pacific Link Investment Pty Ltd, to 31 August 2016.

4. The principal financiers and the directors have demonstrated their capacity to renegotiate the loan facilities in line with the company's cash flow requirements and ability to service the working capital and refurbishment loans.

The directors are satisfied that the going concern basis of preparation is appropriate and therefore the financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts or to the amounts of classification of liabilities that might be necessary should the company not be able to continue as a going concern.

### (b) Revenue and Other Income

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Revenue from the rendering of a service is recognised upon the rendering of the service to the customers.

Interest revenue is recognised using the effective interest rate method.

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

### (c) Income Tax

The charge for income tax expense is based on the profit adjusted for any non-assessable or disallowed items. It is calculated using the proportion of net income attributable to non-members and is provided at tax rates that have been enacted or substantially enacted as at the end of the reporting period.

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



# Balmain Leagues' Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 October 2014

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## 1 Summary of Significant Accounting Policies (continued)

### (d) 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 financial liabilities in current liabilities on the statement of financial position.

### (e) Inventories

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

### (f) Property, Plant and Equipment

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

#### *Plant and equipment*

Plant and equipment is measured on the cost basis less accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

#### *Leasehold improvements*

Leasehold improvements are being written off over the period of the lease.

#### *Depreciation*

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's life commencing from the time the asset is held ready for use.

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Plant and equipment	5 - 27%
Leased plant and equipment	6.7 - 27%
Leasehold improvements	6.67%

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

# Balmain Leagues' Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 October 2014

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## 1 Summary of Significant Accounting Policies (continued)

### (f) Property, Plant and Equipment (continued)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

### (g) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the company, 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.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives where it is likely that the company will obtain ownership of the asset. 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 recognised as expenses on a straight-line basis over the lease term.

### (h) Financial Instruments

#### *Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the company commits itself to either purchase or sell 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 the statement of comprehensive income immediately.

#### *Classification and subsequent measurement*

Financial instruments are subsequently measured at 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 arm's length transaction.

# Balmain Leagues' Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 October 2014

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## 1 Summary of Significant Accounting Policies (continued)

### (h) Financial Instruments (continued)

#### (i) *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.

#### (ii) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in the statement of comprehensive income through the amortisation process and when the financial liability is derecognised.

#### **Impairment**

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

#### **Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of comprehensive income.

### (i) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# Balmain Leagues' Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 October 2014

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## 1 Summary of Significant Accounting Policies (continued)

### (j) Trade and Other Payables

Trade and other payables represent the liabilities outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

### (k) Employee Benefits

Provision is made for the company'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 settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

### (l) Provisions

Provisions are recognised when the company 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.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

### (m) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are expensed in the statement of comprehensive income in the period in which they are incurred.

# Balmain Leagues' Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 October 2014

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## 1 Summary of Significant Accounting Policies (continued)

### (n) Goods and Services Tax (GST)

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

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

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

### (o) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

### (p) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

#### *Key estimates - Impairment*

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

No provision for impairment has been made against receivables in the 2014 year (2013: Nil).

# Balmain Leagues' Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 October 2014

## 2 Revenue and Other Income

	2014	2013
	\$	\$
<b>Revenue</b>		
Poker machine takings	5,277,938	5,265,108
Bar sales	1,037,934	1,020,878
Catering sales	21,976	56,245
Merchandising sales	4,072	5,328
Commissions	52,374	58,201
Interest received	41,129	386
Rent	99,900	79,073
Membership subscriptions	20,436	23,551
Management fees	17,500	-
Sundry revenue	116,372	78,380
	<u>6,689,631</u>	<u>6,587,150</u>
<b>Other income</b>		
Gain on sale of poker machine entitlements	-	50,000
<b>Total Revenue and Other Income</b>	<u>6,689,631</u>	<u>6,637,150</u>

## 3 Loss for the Year includes the following specific expenses:

### (a) Expenses

Cost of food and beverages sold	437,115	471,654
Finance costs - Interest expense	885,647	918,262
Depreciation and amortisation	391,268	462,335
Bad and doubtful debts - trade receivables	-	10,012
Rental expense on operating lease	384,720	394,654

### (b) Significant Revenue and Expenses

The following significant revenue and expense items are relevant in explaining the financial performance:

#### Revenue:

Gain on sale of poker machine entitlements	-	50,000
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#### Expenses:

Grant to Balmain Tigers Rugby League Football Club Limited	268,018	476,284
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# Balmain Leagues' Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 October 2014

	2014	2013	
	\$	\$	
<b>4 Income Tax Expense</b>			
Proportion of loss attributable to non-members	(212,004)	(173,192)	
Add: Other assessable income	193,403	187,348	
Less: Other deductible expenses	(189,134)	(175,800)	
Income tax loss subject to income tax	<u>(207,735)</u>	<u>(161,644)</u>	
Income tax attributable to above (30%)	(62,321)	(48,493)	
Deferred tax asset not recognised	<u>62,321</u>	<u>48,493</u>	
Income tax attributable to profit/(loss)	<u>-</u>	<u>-</u>	
<b>5 Cash and Cash Equivalents</b>			
Cash on hand	189,000	208,500	
Cash at bank	119,586	105,218	
Short-term bank deposits	9,909	9,604	
	<u>318,495</u>	<u>323,322</u>	
<b>(a) Reconciliation of Cash</b>			
	<b>Note</b>		
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	18	318,495	323,322
Bank overdrafts	11	(15,381)	(51,739)
		<u>303,114</u>	<u>271,583</u>
<b>6 Trade and Other Receivables</b>			
CURRENT			
Trade receivables		20,462	31,235
Other receivables		-	61,365
		<u>20,462</u>	<u>92,600</u>

No provision for impairment has been made against receivables.

# Balmain Leagues' Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 October 2014

	2014	2013
	\$	\$
<b>7 Inventories</b>		
CURRENT		
At lower of cost and net realisable value		
Finished goods	<u>43,453</u>	<u>51,488</u>
Inventories with a carrying amount of \$33,035 were pledged as security for certain of the company's creditors.		
<b>8 Other Assets</b>		
CURRENT		
Prepayments	<u>12,477</u>	<u>-</u>
<b>9 Property, Plant and Equipment</b>		
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	4,799,687	4,729,954
Less accumulated depreciation	<u>(4,143,476)</u>	<u>(3,956,611)</u>
	<u>656,211</u>	<u>773,343</u>
Leased plant and equipment		
Capitalised leased assets	43,182	43,182
Less accumulated depreciation	<u>(33,025)</u>	<u>(25,809)</u>
	<u>10,157</u>	<u>17,373</u>
Leasehold improvements		
At cost	2,949,331	2,949,331
Less accumulated amortisation	<u>(940,010)</u>	<u>(742,824)</u>
	<u>2,009,321</u>	<u>2,206,507</u>
<b>Total property, plant and equipment</b>	<u><u>2,675,689</u></u>	<u><u>2,997,223</u></u>



# Balmain Leagues' Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 October 2014

## 9 Property, Plant and Equipment

### (a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment	Leased plant and equipment	Leasehold Improvement	Total
	\$	\$	\$	\$
Balance at the beginning of year	773,343	17,373	2,206,507	2,997,223
Additions	69,734	-	-	69,734
Depreciation expense	(186,866)	(7,216)	(197,186)	(391,268)
Balance at 31 October 2014	656,211	10,157	2,009,321	2,675,689

## 10 Trade and Other Payables

	2014	2013
	\$	\$
CURRENT		
Trade payables	126,729	225,259
Sundry payables and accrued expenses	361,953	293,603
	<u>488,682</u>	<u>518,862</u>
NON-CURRENT		
Amount payable to:		

### (a) Financial liabilities at amortised cost classified as trade and other payables

	Note	2014	2013
Trade and other payables			
- Total current		<u>488,682</u>	<u>518,862</u>
Financial liabilities as trade and other payables	18	<u>488,682</u>	<u>518,862</u>

# Balmain Leagues' Club Ltd

ABN 33 000 190 161

Notes to the Financial Statements

For the Year Ended 31 October 2014

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	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>11 Borrowings</b>		
CURRENT		
Unsecured liabilities		
Bank overdraft	<b>15,381</b>	51,739
Unsecured loan	<b>166,285</b>	175,715
	<b>181,666</b>	227,454
Secured liabilities		
Lease liabilities	14 -	3,891
Other loans	11(a) <b>10,826,053</b>	10,242,087
	<b>10,826,053</b>	10,245,978
	18 <b>11,007,719</b>	<b>10,473,432</b>
Total current and non-current secured liabilities:		
Lease liabilities	-	3,891
Other loans	<b>10,826,053</b>	10,242,087
	<b>10,826,053</b>	10,245,978

# Balmain Leagues' Club Ltd

ABN 33 000 190 161

Notes to the Financial Statements

For the Year Ended 31 October 2014

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## 11 Borrowings (continued)

(a) The company has secured loans of \$10,826,053 (2013 - \$10,242,087) made up of:

(i) Working capital facility \$4,500,000 (2013 - \$ 4,500,000). At 31 October 2014, the facility was fully drawn and is secured by a fixed and floating charge over the present or future rights, property and undertakings of the company.

(ii) Refurbishment facility \$3,100,000 (2013 - \$3,100,000). At 31 October 2014, the facility was fully drawn and is secured by a fixed and floating charge over the present or future rights, property and undertakings of the company.

(iii) Capitalised interest of \$3,226,053 (2013 - \$2,642,087) on the working capital facility and the refurbishment facility.

At 31 October 2013, the working capital facility was repayable no later than three years after the commencement of the Rozelle club lease and the refurbishment facility was repayable in 30 November 2014.

In March 2014, the company was granted an injunction in the NSW Supreme Court preventing the principal financiers from appointing a receiver or an acceleration of repayment of the loans.

In August 2014, the company agreed to resolve its dispute with the principal financiers by signing a deed of settlement and release. The terms outlined amendments to the original loan facility agreements and the agreement to lease the proposed club premises at Rozelle. The repayment date of the working capital and refurbishment loans as well as capitalised interest were renegotiated to 30 November 2015.

### *Events after Reporting Date*

In March 2015, the principal financiers agreed to extend the repayment date of the working capital and refurbishment loans as well as capitalised interest to 30 April 2016.

After further negotiations in April 2015, the principal financiers agreed to extend the repayment date of the working capital and refurbishment loans as well as capitalised interest to 30 June 2016.

In August 2015, the principal financiers agreed to further extend the repayment date of the working capital and refurbishment loans as well as capitalised interest to 31 August 2016.

The directors will continue active discussions with the principal financiers over the next 12 months with the view to reach a long-term arrangement.

(b) Lease Liabilities are secured by the underlying leased assets.

# Balmain Leagues' Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 October 2014

	2014	2013
	\$	\$
<b>12 Provisions</b>		
CURRENT		
Employee benefits	<u>166,150</u>	175,378
NON-CURRENT		
Employee benefits	<u>52,000</u>	42,900
	<u><u>218,150</u></u>	<u><u>218,278</u></u>

## Analysis of total provisions

	Employee Benefits	Total
Balance at 1 November 2013	218,878	218,878
Additional provisions raised during the year	86,519	86,519
Amounts used	<u>(86,647)</u>	<u>(86,647)</u>
Balance at 31 October 2014	<u><u>218,750</u></u>	<u><u>218,750</u></u>

## Provision for long-term employee benefits

A provision has been recognised for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 1.

## 13 Other Liabilities

CURRENT		
Subscription received in advance	<u>17,096</u>	<u>20,436</u>
NON-CURRENT		
Subscriptions received in advance	<u>32,484</u>	<u>45,231</u>

# Balmain Leagues' Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 October 2014

	2014	2013
	\$	\$
<b>14 Commitments</b>		
<b>(a) Finance Lease Commitments</b>		
	Note	
Payable - minimum lease payments		
- no later than 12 months	-	4,061
Minimum lease payments	-	4,061
Less future finance charges	-	(170)
Present value of minimum lease payments	11	3,891

Finance leases related to plant and equipment. Fully repaid during the year.

## (b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable - minimum lease payments		
- not later than 12 months	332,704	421,368
- between 12 months and 5 years	646,090	939,849
	<u>978,794</u>	<u>1,361,217</u>

Operating leases relate to computers, point of sale equipment, gaming machines and lease of premises for periods up to 5 years.

## 15 Contingent Liabilities

### (a) Financial Obligations in Relation to Parent Entity

Historically, Balmain Leagues' Club Ltd would fund the Balmain Tigers Rugby League Football Club Limited, the parent entity, by way of a general grant. Pursuant to the deed of settlement with the principal financiers, future grants issued to Balmain Tigers Rugby League Football Club Limited will fund specific categories of expenditure.

### (b) Financial Obligations in Relation to Joint Venture

Balmain Tigers Rugby League Football Club Limited, the parent entity, holds a 50% interest in Wests Tigers Rugby League Football Pty Limited, a joint venture operation whose principal activity is the promotion and propagation of rugby league.

# Balmain Leagues' Club Ltd

ABN 33 000 190 161

Notes to the Financial Statements

For the Year Ended 31 October 2014

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## 15 Contingent Liabilities (continued)

### (b) Financial Obligations in Relation to Joint Venture (continued)

The company has guaranteed the parent entity's funding obligations under the Shareholders Agreement, being 50% of Wests Tigers Rugby League Football Pty Limited's financial requirements, with the contribution determined by unanimous agreement between the shareholders.

During 2014 the parent entity entered into a new range of agreements with the NRL, Western Suburbs Rugby League Football Club Group Pty Limited and Wests Tigers Rugby League Football Pty Limited. These new agreements specified a mechanism whereby the NRL would provide funding if one of the shareholding partners did not satisfy the funding requirements of Wests Tigers Rugby League Football Pty Limited.

## 16 Key Management Personnel Compensation

The total remuneration paid to key management personnel of the company is \$134,530 (2013: \$160,422).

## 17 Related Party Transactions

- (a) Balmain Leagues Club Limited has provided financial assistance and grants to Balmain Tigers Rugby League Football Club Limited as follows:

	2014	2013
	\$	\$
Grants payable	<u>268,018</u>	<u>476,284</u>

- (b) Transactions with other related parties

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

Danny Stapleton (Director) - Priority One Coatings Pty Ltd (painting works)	1,808	-
Danny Munk (Interim CEO) - Munk Management Services Pty Ltd (contract management and agency fees)	<u>134,530</u>	<u>155,925</u>

# Balmain Leagues' Club Ltd

ABN 33 000 190 161

Notes to the Financial Statements

For the Year Ended 31 October 2014

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	2014	2013
	\$	\$

## 18 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, leases and other loans.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note		
<b>Financial Assets</b>			
Cash and cash equivalents	5	318,495	323,322
Loans and receivables	6	<u>20,462</u>	<u>92,600</u>
<b>Total financial assets</b>		<u><b>338,957</b></u>	<u><b>415,922</b></u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
- Trade and other payables	10(a)	488,682	518,862
- Borrowings	11	<u>11,007,719</u>	<u>10,473,432</u>
<b>Total financial liabilities</b>		<u><b>11,496,401</b></u>	<u><b>10,992,294</b></u>

## 19 Events After the Reporting Date

Other than the events specified in Note 11(a), the directors are not aware of any events since the end of the reporting period that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

# Balmain Leagues' Club Ltd

ABN 33 000 190 161

## Directors' Declaration

In accordance with a resolution of the directors of Balmain Leagues Club Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 to 29, 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 of the company as at 31 October 2014 and of its performance for the year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and repayable. Reference should be made to Note 1(a).



Director .....

James Myatt

Dated this 27th day of August 2015



# Balmain Leagues' Club Ltd

ABN 33 000 190 161

## Independent Audit Report to the Members of Balmain Leagues' Club Ltd

### Report on the Financial Report

We have audited the accompanying financial report of Balmain Leagues' Club Ltd on pages 9 to 29, which comprises the statement of financial position as at 31 October 2014, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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.

### 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 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.

### 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 judgement, 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 control relevant to the company's preparation of the financial report that gives a true and fair view 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. 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 confirm that the independence declaration required by the *Corporations Act 2001* was provided to the directors of Balmain Leagues' Club Ltd on the same date as this auditor's report.

# Balmain Leagues' Club Ltd

ABN 33 000 190 161

Independent Audit Report to the Members of Balmain Leagues' Club Ltd

## Auditor's Opinion

In our opinion, the financial report of Balmain Leagues' Club Ltd is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 31 October 2014 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.

## Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1(a) in the financial report which indicates that the company incurred a net loss of \$881,949 during the year ended 31 October 2014 and as of that date the company's current liabilities exceeded its total assets by \$8,609,071. The company did however generate cash inflows from operations of \$405,057 during the year. These conditions, along with other matters as set forth in Note 1(a), indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

## Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Balmain Leagues' Club Ltd for the year ended 31 October 2014 included on the company's website. The company's directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of the company's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from the electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.



Priestley & Morris  
Chartered Accountants



P A Cordwell  
Partner

Level 7  
3 Horwood Place  
Parramatta NSW 2150

Dated this 27th day of August 2015