

THE RUGBY CLUB FOUNDATION LIMITED

[Formerly Rugby Club Ltd]

[A Company Limited by Guarantee]

ABN 80 000 050 279

TRANSITION FINANCIAL REPORT

for the six months transition period ended 30 June 2017



Level 11, 65 York Street, Sydney NSW 2000

Telephone [02] 8014 5831

Web: www.rugbyclub.com.au

Email: admin@rugbyclub.com.au

THE RUGBY CLUB FOUNDATION LIMITED

[Formerly Rugby Club Ltd]

[A Company Limited by Guarantee]

ABN 80 000 050 279

TRANSITION FINANCIAL REPORT

for the six months transition period ended 30 June 2017

CONTENTS	Page
Financial Report	
Directors' report	2-4
Auditor's independence declaration	4
Financial Statements	
Statement of comprehensive income	5
Statement of changes in equity	5
Statement of financial position	6
Statement of cash flows	7
Notes to the Financial Statements	
Note 1 Summary of significant accounting policies	8-10
Note 2 Cash and cash equivalents	11
Note 3 Trade and other receivables	11
Note 4 Inventories	11
Note 5 Other assets	11
Note 6 Plant and equipment	11
Note 7 Intangible assets	12
Note 8 Trade and other payables	12
Note 9 Provisions	12
Note 10 Other liabilities	12
Note 11 Reserves	12
Note 12 Profit (loss) for the half year periods	13
Note 13 Directors' benefits	13
Note 14 Related party transactions	13
Note 15 Commitments	13
Note 16 Key management personnel compensation	13-14
Note 17 Registered clubs act reporting requirements	14
Note 18 Poker machine entitlements	14
Note 19 Transition financial report	14
Directors' declaration	15
Independent audit report to the members	15-16
Auditor's disclaimer	17
Supplementary Information	
Profit & loss account	18-20
Rugby development fund	21

THE RUGBY CLUB FOUNDATION LIMITED

[Formerly Rugby Club Ltd]

[A Company Limited by Guarantee]

ABN 80 000 050 279

DIRECTORS' REPORT

Your Directors present their report of The Rugby Club Foundation Limited for the transition period ended 30 June 2017.

Directors

The names of the directors who held office at any time during the transition period ended 30 June 2017 and changes in respect of those directors since the end of the transition period ended 30 June 2017 are as follows:

Angus Bruxner	President – Elected May-2013; Vice President Apr-2003 to May-2013; Director since Mar-1998; Member since Mar-1996; Rugby qualified Solicitor Eligible Directors' meetings 5 – Attended 5
Peter Whittington	Vice-President – Elected May-2013; Treasurer Jun-2012 to May-2013; Director since Feb-2009; Member since Dec-2006; Rugby qualified Partnership Executive Eligible Directors' meetings 5 – Attended 5
Tim Kelaher	Treasurer – Elected Sep-2015 Director since Jun-2012; Director Oct-2002 to Feb-2004; Member since Jan-2002; Rugby qualified Sales and Marketing Manager Eligible Directors' meetings 5 – Attended 2 Leave of absence granted – 3 meetings
Stuart Dickinson	Director – Elected Sep-2015; Member since Oct-2008 Rugby qualified Marketing and Sales Manager Eligible Directors' meetings 5 – Attended 4 Leave of absence granted – 1 meeting
Adam Freier	Director – Elected Sep-2015; Member since Oct-2003 Rugby qualified Head of Digital Eligible Directors' meetings 5 – Attended 3 Leave of absence granted – 2 meetings
Ron Latham [b]	Director since May-2009; Member since Jan-1998 Company Director Eligible Directors' meetings 3 – Attended 2 Leave of absence granted – 1 meeting
James Maxwell	Director – Elected Sep-2015; Member since Oct-1988 Rugby qualified Solicitor Eligible Directors' meetings 5 – Attended 4 Leave of absence granted – 1 meeting
Stirling Mortlock AM	Director – Elected Sep-2015; Member since Apr-2015 Rugby qualified Wealth Director Eligible Directors' meetings 5 – Attended 5
Daniel Vickerman [a]	Director – Elected Sep-2015; Member since Nov-2014 Rugby qualified Property Funds Management Eligible Directors' meetings 1 – Attended 1
Paula Ward	Director – Appointed Mar-2017; Director May-2013 to Sep-2015; Company Director Eligible Directors' meetings 3 – Attended 1 Leave of absence granted – 2 meetings

Note: [a] Director deceased 18 February 2017.

[b] Director resigned 10 April 2017

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

THE RUGBY CLUB FOUNDATION LIMITED

[Formerly Rugby Club Ltd]

[A Company Limited by Guarantee]

ABN 80 000 050 279

DIRECTORS' REPORT [CONTINUED]

Objectives

Short term: Providing for the members of The Rugby Club Foundation Limited and their guests access to a social club with all the usual services, amenities and facilities of a registered club and to assist generally in the promotion and propagation of the game of Rugby Union football.

Long term: To sustain The Rugby Club Foundation Limited's position as a viable commercial entity to develop and implement its long term strategy of promoting and supporting the game of Rugby Union football.

Strategy for achieving the objectives

The principal strategies of The Rugby Club Foundation Limited include:

- Maximising the financial advantage and benefits arising from the sale of Club property holdings;
- Maximising advantage from marketing and promotional opportunities;
- Offering a broad range of Rugby event offerings; and
- Applying those strategies to pursuing the Club's strategic vision of "Sharing the Spirit of the Game".

Principal activities

The principal activity of The Rugby Club Foundation Limited (a not for profit entity) during the course of the transition period was to provide the services and amenities of a registered club to members and their guests, and the support and promotion of district and country Rugby in NSW. There were no significant changes in the nature of these activities during the relevant period.

How these activities assisted in achieving the objectives:

The activities pursued by The Rugby Club Foundation Limited assist in generating revenue to fund the promotion and operations of The Rugby Club Foundation Limited and the promotion and propagation of the game of Rugby Union football.

Performance measurement and key performance indicators

Performance is assessed regularly against relevant internal and industry benchmarks, enabling assessment on the performance of strategic initiatives, and to measure their effectiveness in achieving short and long term objectives. The comments regarding comparative figures contained in Note [1] of the Notes to Financial Statements must be noted.

Key performance indicators:

	2017	2016
Gross bar sales ratio %	N/A	64%
Direct employee costs to bar sales %	N/A	34%
Retention of poker machine clearances %	N/A	33%
Total employee costs to total revenue %	28%	24%
Operating expense change [Year on Year] %	-53%	+13%
EBITDA [earnings before interest expense, taxes, depreciation and amortisation] \$	\$5,144	\$243,280

Dividends

The Rugby Club Foundation Limited being a public company limited by guarantee, does not have a capital divided into shares, and is prevented by the *Corporations Act 2001* and by its Constitution from paying a dividend to members.

Operating result

The net operating profit before income tax for the six months transition period was \$2,036 [2016: \$211,155], and was after charging \$3,108 in depreciation and amortisation [2016: \$32,125] and interest expense of \$0.00 [2016: \$0.00]. There was no impairment of assets for either year [2017 or 2016]. Income tax expense for the 18 month period of 1 January 2016 through to 30 June 2017 is estimated at \$25,468.

Significant events and future developments

The sale of The Rugby Club's property to Wanda One Sydney Pty Limited was completed on 17 September 2015. The net proceeds of sale remaining after repayment of The Rugby Club's debt to its bank [being a sum of approximately \$19,600,000.00] have subsequently been invested in interest bearing term deposits with The Rugby Club's bank. The Rugby Club continued to occupy its Rugby Place premises pursuant to a lease from the purchaser which terminated on 31 December 2016. The Rugby Club ceased trading from its Rugby Place premises on 23 December 2016.

Concurrently with negotiating and completing the sale and vacating the property the Board of Directors of The Rugby Club has been formulating a strategic plan for the future Rugby Club. This strategic plan, which presently includes the establishment and ongoing operation of a Foundation, will continue to be developed and implemented by the Board in a manner which will be in the best interests of the Club, its Members and Rugby in general.

THE RUGBY CLUB FOUNDATION LIMITED**[Formerly Rugby Club Ltd]**

[A Company Limited by Guarantee]

ABN 80 000 050 279

DIRECTORS' REPORT [CONTINUED]**Limitation on members' liability**

The Rugby Club Foundation Limited is a public company limited by guarantee, and in accordance with its constitution, the liability of financial members in the event of the company being wound-up would not exceed \$4.00 per member [includes all membership categories]. The total contribution by financial members in the event of the company being wound-up would be \$3,276 [2016: \$5,124] as reported in the table below.

Membership

Categories	Member Liability	30 June 2017	30 June 2016
Honorary life members	\$28	7	11
Rugby life members	\$1,032	258	260
City members	\$704	176	247
Country members	\$488	122	144
Emeritus members	\$256	64	46
Player/official members [redundant category]	\$0	0	25
Overseas members	\$68	17	25
House members [redundant category]	\$700	175	523
	\$3,276	819	1,281

Auditor's independence declaration

The auditor's independence declaration for the six months transition period ended 30 June 2017 has been received and is located below.

Signed in accordance with a resolution of Directors made pursuant to section 298(2) of the *Corporations Act 2001*, on behalf of Directors by:



Angus Bruxner
President



Tim Kelaher
Treasurer

Signed at Sydney on this 29th day of October, 2017

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF THE RUGBY CLUB FOUNDATION LIMITED**

I declare, to the best of my knowledge and belief that during the six months transition period ended 30 June 2017 there have been no contraventions of:

- [i] the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- [ii] any applicable code of professional conduct in relation to the audit.

Harley Russell & Day
Chartered Accountants
Dated at Sydney this 26th day of October 2017

Garry William Day
Registered Company Auditor

THE RUGBY CLUB FOUNDATION LIMITED

[Formerly Rugby Club Ltd]

[A Company Limited by Guarantee]

ABN 80 000 050 279

STATEMENT OF COMPREHENSIVE INCOME

for the six months transition period ended 30 June 2017

	Note	2017 \$	2016 \$
Revenue from sale of goods		0	401,119
Revenue from rendering services		12,824	272,453
Interest		264,989	297,953
Total revenue		277,813	971,525
Cost of sales		0	(142,518)
Bar expenses		(14,793)	(116,667)
Poker machine expenses		(12,468)	(23,014)
Restaurant expenses		(3,131)	(23,103)
Function expenses		0	(20,064)
Promotion/event expenses		(8,310)	(80,797)
Keno expenses		(54)	(285)
Other employee expenses		(77,080)	(81,391)
Other equipment and occupancy expenses		(19,869)	(161,577)
Other expenses		(136,964)	(78,829)
Total expenses		(272,669)	(728,245)
Operating profit		5,144	243,280
Depreciation and amortisation expense		(3,108)	(32,125)
Finance expense		0	0
Profit before income tax expense		2,036	211,155
Income tax expense	1[d]	(25,468)	0
Profit (loss) for the half year periods		(23,432)	211,155
Other comprehensive income		0	0
Total comprehensive income (loss) for the half year periods		(23,432)	211,155

STATEMENT OF CHANGES IN EQUITY

for the six months transition period ended 30 June 2017

	\$	\$	\$
	Retained Earnings	Capital Profit Reserve	Total Equity
Balance as at 1 January 2016	(332,969)	20,307,141	19,974,172
Total comprehensive income for half year to 30 June 2016	211,155	0	211,155
Balance as at 30 June 2016	(121,814)	20,307,141	20,185,327
Total comprehensive income for half year to 31 Dec 2016	88,106	0	88,106
Balance as at 31 December 2016	(33,708)	20,307,141	20,273,433
Total comprehensive loss for the transition period	(23,432)	0	(23,432)
Balance as at 30 June 2017	(57,140)	20,307,141	20,250,001

The Statement of Comprehensive Income and Statement of Changes in Equity are to be read in conjunction with the Notes to the Financial Statements

THE RUGBY CLUB FOUNDATION LIMITED**[Formerly Rugby Club Ltd]**

[A Company Limited by Guarantee]

ABN 80 000 050 279

STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

	Note	2017 \$	2016 \$
Assets			
Current assets			
Cash and cash equivalents	2	20,314,838	19,987,199
Trade and other receivables	3	31,623	122,245
Inventories	4	0	34,816
Other assets	5	12,693	83,981
Total current assets		20,359,154	20,228,241
Non-current assets			
Plant and equipment	6	142	167,218
Intangible assets	7	218	3,050
Total non-current assets		360	170,268
Total assets		20,359,514	20,398,509
Liabilities			
Current liabilities			
Trade and other payables	8	46,418	99,644
Short term provisions	9	2,123	50,689
Other liabilities	10	55,083	48,478
Total current liabilities		103,624	198,811
Non-current liabilities			
Other liabilities	10	5,889	14,371
Total non-current liabilities		5,889	14,371
Total liabilities		109,513	213,182
Net assets		20,250,001	20,185,327
Equity			
Capital profit reserve	11	20,307,141	20,307,141
Retained earnings		(57,140)	(121,814)
Total equity		20,250,001	20,185,327

The Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements

THE RUGBY CLUB FOUNDATION LIMITED**[Formerly Rugby Club Ltd]**

[A Company Limited by Guarantee]

ABN 80 000 050 279

STATEMENT OF CASH FLOWS

for the six months transition period ended 30 June 2017

	2017	2016
	\$	\$
Cash flows from operating activities		
Receipts from customers and members	17,714	661,405
Payments to suppliers and employees	(331,173)	(737,226)
Cash expended from operations	(313,459)	(75,821)
Finance costs	0	0
Net cash outflow from operating activities	(313,459)	(75,821)
Cash flows from investing activities		
Purchase of plant and equipment	0	(770)
Payments to suppliers - property development	0	(312)
Proceeds from sale of plant and equipment	30,000	0
Interest received	268,775	358,476
Net cash inflow from investing activities	298,775	357,394
Cash flows from financing activities		
Proceeds from borrowings	0	0
Repayment of borrowings	0	(4,822)
Net cash inflow (outflow) from financing activities	0	(4,822)
Net increase (decrease) in cash and cash equivalents held	(14,684)	276,751
Cash and cash equivalents at the beginning of the half year 1 July 16	19,987,199	0
Net increase (decrease) in cash and cash equivalents half year 31 Dec 16	342,323	19,710,448
Cash and cash equivalents at the end of the half year periods	20,314,838	19,987,199

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements

THE RUGBY CLUB FOUNDATION LIMITED

[Formerly Rugby Club Ltd]

[A Company Limited by Guarantee]

ABN 80 000 050 279

NOTES TO THE FINANCIAL STATEMENTS

for the six months transition period ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the entity, The Rugby Club Foundation Limited.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board [AASB], and the *Corporations Act 2001*. The Rugby Club Foundation Limited is a not for profit entity for the purpose of preparing the financial statements.

The financial statements of The Rugby Club Foundation Limited comply with Australian Accounting Standards – Reduced Disclosure Requirements. This Tier 2 reporting framework comprises the recognition and measurement requirements of Tier 1, but substantially reduced reporting requirements. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. These financial statements do not comply with International Financial Reporting Standards [IFRS] as issued by the International Accounting Standards Board [IASB]

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values, but modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The report is presented in Australian Dollars.

Accounting policies

[a] Plant and equipment

Acquisition and depreciation

Plant and equipment are included at cost of acquisition, less any impairment. These assets are depreciated over their useful lives commencing from the time the asset is held ready for use. The prime cost method [a straight-line basis] is used to depreciate non-current assets. The following depreciation rates are applied:

Computer equipment	20.0% - 33.3%
Poker machines	25.0% - 33.3%

Profits and losses on disposal of plant and equipment are taken into account in determining the operating result for the year. Additionally, impairment of plant and equipment is reviewed at least annually.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such an indication exists and where carrying values exceed the recoverable amount, the asset is written down to the recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use.

[b] Inventories

Inventories are carried at the lower of cost and net realisable value. The cost of inventories comprises all costs directly related to acquisition, such as freight and delivery charges, and liquor taxes where applicable. Cost is based on first-in, first-out principal. Net realisable value is determined on an item by item basis.

[c] Employee entitlements

Provision is made for the Club's liability for employee entitlements arising from services rendered by employees to balance date. The provisions for annual leave and long service leave have been calculated at nominal amounts based on current wage and salary rates, and include related costs in accordance with the various award requirements. The provision for long service leave is made on a pro-rata basis for all employees who have an excess of five years service.

Superannuation contributions are made by the Club to approved superannuation funds for all employees. The costs are charged as employee expenses as they are incurred. The Club has no legal obligation to cover any shortfall in the superannuation funds' obligations to provide benefits to employees on retirement.

NOTES TO THE FINANCIAL STATEMENTS

for the six months transition period ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

[d] Taxation

Income tax

In assessing income tax liability, the Club applies the principle of mutuality to the revenue and expenses of the Club. The principle of mutuality is a common law principle arising from the premise that a person cannot profit from himself. Accordingly, receipts from members are deemed to be mutual and not subject to income tax, and expenses in connection with mutual activities are also mutual and not deductible for taxation purposes.

All other receipts and payments are classified, for taxation purposes, in accordance with taxation legislation.

The Club currently has the benefit of \$310,536 in accumulated income tax losses, which have been applied against the current 2017 income tax return [18 months ending 30 June 2017].

Goods and services tax [GST]

Revenues, expenses and assets are recognised net of the amount of GST in the financial accounts with the exception:

- where the GST incurred on purchases of goods and services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as a part of the cost of acquisition of the asset or as part of the expense item as applicable.
- receivables and payables are stated inclusive of GST.
- 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 are recoverable from, or payable to, the Australian Taxation Office, are classified as operating cash flows.
- Net poker machine revenue, which is presented on a GST inclusive basis, with the GST component treated in the financial accounts as an expense. This method provides Directors and members with information on the additional impost of GST on gaming revenue.

Currently the New South Wales State Government [Office of State Revenue] reimburses all Clubs in NSW the GST impost on the first \$200,000 of net gaming revenue, discounted for payment in advance.

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

[e] Investments

Investments are carried at the lower of cost and net recoverable amount. Interest income is brought to account on an accruals basis, and recognised as income as it becomes due.

[f] Payables [trade and other creditors]

Trade creditors represent liabilities for goods and services provided to the Club prior to the end of the financial year, and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

[g] Receivables [trade and other debtors]

The terms of trade are usually 7 days from the date of invoice. Collectability of debtors is reviewed on an ongoing basis. Debts known to be uncollectible are written off as impaired.

[h] Finance expenses

Finance expenses are recognised as an operating expense in the period in which they are incurred. Finance expenses may include:

- Interest on bank overdrafts and loans;
- Interest on leases [hire purchase contracts];
- Interest on overdue payables;
- Interest on insurance funding.

NOTES TO THE FINANCIAL STATEMENTS

for the year six months transition period ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

[i] Revenue recognition

General

In general, revenue is recognised, where it can be reliably measured, in the period to which it relates. However, where there is not an established pattern of income flow, revenue is recognised on a cash receipts basis.

Membership subscriptions

The Clubs subscription year was 1 January to 31 December, but has been amended to 1 July to 30 June. The transition period 1 January 2017 through to 30 June 2017 all members enjoyed a “holiday” period free of membership subscriptions. Subscriptions are payable annually in advance. Only those membership subscription receipts which are attributable to the current financial year are recognised as revenue. Subscription receipts relating to periods beyond the current financial year are shown on the statement of financial position under the heading of Other Liabilities [refer to Note 10].

[j] Cash and cash equivalents

Cash includes cash on hand, cash at bank, deposits at call and highly liquid investments which are readily convertible to cash on hand.

[k] Accounting for leases/hire purchase agreements

Lease or hire purchase of plant and equipment, under which the Club assumes substantially all of the risks and benefits of ownership, are classified as **finance leases** [this includes hire purchase contracts].

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments [hiring instalments], including any guaranteed residual values. Leased assets are depreciated on a prime cost basis [straight line] over their estimated useful lives where it is likely the Club will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense [hire purchase charges] for the period.

Other leases are classified as **operating leases**. Minimum lease payments made under operating leases are charged as an expense in equal instalments over the accounting periods covered by the lease term.

[l] Comparative figures

Where required by the Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial half year. The comparative period for 2016 covers the half year period 1 January 2016 to 30 June 2016.

It must be noted that the comparative period 1 January 2016 to 30 June 2016 relates to a period during which the Club was trading as a licensed Club. The revenue stream and operating expenses associated with a licensed club operation vary significantly from the operations of a foundation entity. The comparative period figures therefore present a somewhat distorted picture when they are compared with a period when the Club had ceased trading and was transitioning from operating as a licensed club to the virtual club/foundation mode it has adopted as from 1 January 2017.

THE RUGBY CLUB FOUNDATION LIMITED
[Formerly Rugby Club Ltd]

[A Company Limited by Guarantee]

ABN 80 000 050 279

NOTES TO THE FINANCIAL STATEMENTS

for the six months transition period ended 30 June 2017

	2017 \$	2016 \$
2. CASH AND CASH EQUIVALENTS		
Current		
Cash on hand	0	26,890
Cash at bank	8,261	30,720
Call deposits	366,770	156,255
Term deposits	19,939,807	19,773,334
	20,314,838	19,987,199
3. TRADE AND OTHER RECEIVABLES		
Current		
Trade debtors	7,875	15,921
Other receivables	23,748	106,324
	31,623	122,245
4. INVENTORIES		
Current		
Stock on hand - at cost	0	34,816
	0	34,816
5. OTHER ASSETS		
Current		
Prepayments	12,693	67,357
Deferred foundation establishment costs	0	16,624
	12,693	83,981
6. PLANT AND EQUIPMENT		
[a] Plant, furniture and fittings - at cost	11,455	316,461
Less: Accumulated depreciation	(11,313)	(226,213)
	142	90,248
[b] Poker machines - at cost	0	213,374
Less: Accumulated depreciation	0	(136,404)
	0	76,970
Total plant and equipment	142	167,218

Reconciliation of the carrying amounts for each class of plant and equipment:

	Plant and Equipment \$	Poker Machines \$	Total \$
Opening balance	90,248	76,970	167,218
Additions	0	0	0
Disposals [net] 31 December 2016	(77,878)	(17,844)	(95,722)
Disposals [net] 30 June 2017	(11,955)	(41,066)	(41,066)
Depreciation half year to 31 Dec 16	(273)	(16,629)	(28,584)
Depreciation half year to 30 June 17	(1,431)	(1,431)	(1,704)
Impairment	0	0	0
Closing balance	142	0	142

THE RUGBY CLUB FOUNDATION LIMITED

[Formerly Rugby Club Ltd]

[A Company Limited by Guarantee]

ABN 80 000 050 279

NOTES TO THE FINANCIAL STATEMENTS

for the six months transition period ended 30 June 2017

	2017	2016
	\$	\$
7. INTANGIBLE ASSETS		
Website development - at cost	8,496	8,496
Less: Accumulated amortisation	(8,278)	(5,446)
	218	3,050
Reconciliation of the carrying amount for website development:		
Opening Balance	1,622	4,462
Additions	0	0
Amortisation for half year 30 June 2016	0	(1,412)
	1,622	3,050
Amortisation for half year 31 December 2016	0	(1,428)
Amortisation for half year 30 June 2017	(1,404)	0
Closing Balance	218	1,622
8. TRADE AND OTHER PAYABLES		
Current		
Trade creditors	8,437	28,842
Other creditors	0	16,329
Tax liabilities	22,606	16,735
Accruals	15,375	37,738
	46,418	99,644
9. PROVISIONS		
Current		
Short term provisions		
Employee benefits - provision for holiday and long service leave	2,123	50,689
10. OTHER LIABILITIES		
Current		
Membership subscriptions in advance	18,282	13,985
Rugby development fund	36,801	34,493
	55,083	48,478
Non-current		
Membership subscriptions in advance	5,889	14,371
Total other liabilities	60,972	62,849
11. RESERVES		
Capital profits		
The capital profits reserve represents the net surplus on sale of the Club's land and building. The profit is derived after legal and other costs, write-back of the land revaluation surplus and the retirement of the written-down value of building renovation costs and certain plant & equipment.		

THE RUGBY CLUB FOUNDATION LIMITED**[Formerly Rugby Club Ltd]**

[A Company Limited by Guarantee]

ABN 80 000 050 279

NOTES TO THE FINANCIAL STATEMENTS

for the six months transition period ended 30 June 2017

	2017 \$	2016 \$
12. PROFIT (LOSS) FOR THE HALF YEAR PERIODS		
Profit (loss) for the half year periods has been arrived at:		
[a] Addition of the following items as income:		
Interest received on call deposits	927	858
Interest received on term deposits	264,062	297,095
[b] Charging the following items as expense:		
Amounts set aside to provisions: employee benefits	(3,222)	(10,404)
Bad debts written-off	0	0
Loss on disposal of assets	(11,066)	0
Stock written-off	(145)	0
Depreciation	(1,704)	(30,713)
Amortisation	(1,404)	(1,412)
Interest on loans	0	0
13. DIRECTORS' BENEFITS		
Directors of The Rugby Club Foundation Limited have been duly appointed on an honorary basis. The Board does not receive any benefits or fees for their efforts and time. Out of pocket expenses have been reimbursed in accordance with guidelines set out by Clubs New South Wales and the <i>Registered Clubs Act 1976 [as amended]</i> , and as approved at the last AGM.		
Directors expenses	801	311
14. RELATED PARTY TRANSACTIONS		
Transactions between related parties are based on normal commercial terms and conditions. These transactions are no more favourable than those available to other parties, unless otherwise stated. During this financial year there were no commercial transactions [purchase of goods or services] with Directors/Officers or Director/Officer related entities.		
15. COMMITMENTS		
[a] Operating leases		
Non-cancellable operating leases contracted for but not recognised as liabilities, and payable.		
Not later than one year	0	10,417
Later than one year but not later than five years	0	13,537
Minimum lease payments	0	23,954
[b] Capital Expenditure		
The Rugby Club Foundation Limited has no capital expenditure commitments contracted for at balance date.		
16. KEY MANAGEMENT PERSONNEL COMPENSATION		
[a] Key management personnel		
The names and positions held of key management personnel who held office at any time during the transition period and changes in respect of those key management personnel since the end of the transition period are:		
Angus Bruxner	President	
Peter Whittington	Vice-President; Secretary [appointed 31 January 2017]	
Tim Kelaher	Treasurer	
Stuart Dickinson	Director	
Adam Freier	Director	
Ron Latham	Director [resigned 10 April 2017]	
James Maxwell	Director	
Stirling Mortlock AM	Director	
Daniel Vickerman	Director [deceased 18 February 2017]	
Paula Ward	Director [appointed 20 March 2017]	

THE RUGBY CLUB FOUNDATION LIMITED

[Formerly Rugby Club Ltd]

[A Company Limited by Guarantee]

ABN 80 000 050 279

NOTES TO THE FINANCIAL STATEMENTS

for the six months transition period ended 30 June 2017

	2017 \$	2016 \$
16. KEY MANAGEMENT PERSONNEL COMPENSATION [CONTINUED]		
[b] Other key management personnel		
Acting Secretary/General Manager	Carolyn (Moldavskaya) Frost [appointed 11 August 2016; resigned 31 January 2017]	
Business Operations Manager	Lisa Kane [commenced 3 April 2017]	
[c] Key management personnel compensation		
The following benefits and payments were made to other key management personnel . Refer to Note 13: Directors Benefits.		
Total compensation	<u>103,543</u>	<u>101,284</u>

17. REGISTERED CLUBS ACT REPORTING REQUIREMENTS

The disclosure requirements under section 41 of the *Registered Clubs Act 1976 [as amended]* are kept by the Club and may be viewed by application in writing to the Club President.

18. POKER MACHINE ENTITLEMENTS

The Rugby Club Foundation Limited currently owns 11 poker machine entitlements. The value of these intangible assets, in accordance with accounting standards, are **not** recorded on the statement of financial position. The current market value of each entitlement is estimated by your Directors to be in the vicinity of \$20,000. This would make the estimated value of the entitlements held by The Rugby Club Foundation Limited to be \$220,000.

19. TRANSITION FINANCIAL REPORT

Following the change in financial year reporting from 1 January to 31 December annually, to 1 July to 30 June annually, a six month transition financial report for the period 1 January 2017 to 30 June 2017 is provided to members. The transition report has been presented with comparison data for the period 1 January 2016 to 30 June 2016 [unaudited].

THE RUGBY CLUB FOUNDATION LIMITED

[Formerly Rugby Club Ltd]

[A Company Limited by Guarantee]

ABN 80 000 050 279

DIRECTORS' DECLARATION

The Directors of The Rugby Club Foundation Limited declare that:

- [a] in the Directors' opinion, there are reasonable grounds to believe that The Rugby Club Foundation Limited will be able to pay its debts as and when they become due and payable; and
- [b] in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Australian Accounting Standards, other mandatory reporting requirements, and giving a true and fair view of the financial position and performance of The Rugby Club Foundation Limited for the year six months transition period ended 30 June 2017.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*, on behalf of the Directors by:



Angus Bruxner
President



Tim Kelaher
Treasurer

Dated at Sydney this 29th day of October, 2017

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE RUGBY CLUB FOUNDATION LIMITED

Report on the audit of the financial report

Opinion

We have audited the accompanying financial report of The Rugby Club Foundation Limited (the Registered entity) which comprises the statement of financial position as at 30 June 2017, the statement of profit and loss, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the six months ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of The Rugby Club Foundation Limited, has been prepared in accordance with the Corporations Law and the Registered Clubs Act, including:

- [a] Giving a true and fair view of the registered entity's financial position as at 30 June 2017, and of its financial performance for the six months then ended; and
- [b] Complying with Australian Accounting Standards – Reduced Disclosure Requirements.

Basis for opinion

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

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

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the six months ended 30 June 2017, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

THE RUGBY CLUB FOUNDATION LIMITED

[Formerly Rugby Club Ltd]

[A Company Limited by Guarantee]

ABN 80 000 050 279

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE RUGBY CLUB FOUNDATION LIMITED [CONTINUED]

Responsibilities of the directors for the financial report

The directors of the registered entity 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 under the Corporations Law and Registered Clubs Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibility for the audit of the financial report


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

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

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Harley Russell & Day
Chartered Accountants



Garry William Day
Registered Company Auditor

Dated at Sydney this 30th day of October, 2017

THE RUGBY CLUB FOUNDATION LIMITED

[Formerly Rugby Club Ltd]

[A Company Limited by Guarantee]

ABN 80 000 050 279

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
THE RUGBY CLUB FOUNDATION LIMITED [CONTINUED]**


AUDITOR'S DISCLAIMER

The supplementary financial data presented on the attached pages is in accordance with the books and records of The Rugby Club Foundation Limited, which have been subjected to the auditing procedures applied in my statutory audit of the Club for the six months transitional period ended 30 June 2017. It will be appreciated that my statutory audit did not cover all details of the supplementary financial data. Accordingly, I do not express an opinion on such supplementary financial data and no warranty of accuracy or reliability is given.

In accordance with my firm's policy, I advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than The Rugby Club Foundation Limited), in respect of such data, including any errors or omissions therein, arising through negligence or otherwise however caused.

Harley Russell & Day
Chartered Accountants

Dated at Sydney this 30th day of October, 2017



Garry William Day
Registered Company Auditor

THE RUGBY CLUB FOUNDATION LIMITED
[Formerly Rugby Club Ltd]

[A Company Limited by Guarantee]

ABN 80 000 050 279

SUPPLEMENTARY INFORMATION
PROFIT & LOSS ACCOUNT

for the six months transition period ended 30 June 2017

		2017	2016
		\$	\$
REVENUE			
[a] Sales revenue			
Bar sales	- bars	0	319,345
	- restaurant	0	50,534
	- functions	0	27,104
	- promotion/events	0	4,136
Total sales revenue		0	401,119
[b] Other revenue			
[i] Net poker machine revenue		0	122,268
[ii] Other			
Catering license fees [rent]		0	15,145
Function room hire fees		0	7,564
Function room other income		0	3,757
Keno commission		0	1,008
Membership subscriptions		0	13,650
Promotion/events income		12,818	81,164
Rental income - 4/5th floors		0	27,000
Other income		6	897
Total other		12,824	150,185
Total other revenue		12,824	272,453
[c] Interest received			
Interest received	- call deposit accounts	927	858
	- term deposit accounts	264,062	297,095
Total interest received		264,989	297,953
Total revenue		277,813	971,525
EXPENSES			
[a] Bar expenses			
Employee expenses		0	102,352
Equipment rental		14,511	3,077
Gas - outdoor heating		0	800
Repairs and maintenance		0	3,312
Stocktaking		0	2,400
Stock written-off		145	0
Supplies		137	2,631
Other		0	2,095
		14,793	116,667
Depreciation		0	5,215
Total bar expenses		14,793	121,882
[b] Poker machine expenses			
Data monitoring system charges		772	2,765
Employee expenses		0	13,901
Licence fees		220	1,320
GST expense [net]		0	2,525
Loss on sale/disposal		11,066	0
Sub-total poker machine expenses		12,058	20,511

THE RUGBY CLUB FOUNDATION LIMITED
[Formerly Rugby Club Ltd]

[A Company Limited by Guarantee]

ABN 80 000 050 279

SUPPLEMENTARY INFORMATION [CONTINUED]
PROFIT & LOSS ACCOUNT

for the six months transition period ended 30 June 2017

	2017	2016
	\$	\$
EXPENSES [CONTINUED]		
[b] Poker machine expenses [continued]		
Repairs and maintenance	410	2,436
Other	0	67
	12,468	23,014
Depreciation	1,431	17,621
Total poker machine expenses	13,899	40,635
[c] Restaurant expenses		
Employee expenses	0	17,954
Gas supply	228	4,534
Other	2,903	615
	3,131	23,103
Depreciation	0	2,736
Total restaurant expenses	3,131	25,839
[d] Function expenses		
Employee expenses	0	16,710
Other	0	3,354
Total function expenses	0	20,064
[e] Promotion/event expenses		
Beverages	3,673	4,136
Catering	4,453	7,045
Ticket purchases [ARU games]	0	55,951
Other	184	13,665
	8,310	80,797
[f] Keno expenses		
Repairs & maintenance/Other	54	285
[g] Other employee expenses		
Holiday/long service leave - provisioning	3,222	10,404
Employee costs - administration	73,858	69,661
Staff recruitment, training and welfare	0	523
Staff uniforms	0	803
Total other employee expenses	77,080	81,391
[h] Other equipment and occupancy expenses		
Cleaning	0	18,983
Electricity	4,540	19,028
Fire monitoring and equipment inspection	0	2,390
Insurance - general	3,090	22,520
Land tax	0	24,990
Lease of equipment	1,089	1,788
Rates - council	0	16,050
Rent - club premises	8,903	27,000
Rent - external storage unit	4,309	0
Rates - water	(4,206)	6,612
Sub-total other equipment and occupancy expenses	17,725	139,361

THE RUGBY CLUB FOUNDATION LIMITED**[Formerly Rugby Club Ltd]**

[A Company Limited by Guarantee]

ABN 80 000 050 279

SUPPLEMENTARY INFORMATION [CONTINUED]**PROFIT & LOSS ACCOUNT**

for the six months transition period ended 30 June 2017

	2017 \$	2016 \$
EXPENSES [CONTINUED]		
[h] Other equipment and occupancy expenses [continued]		
Repairs and maintenance	1,048	15,741
Security monitoring	48	332
Waste removal	1,048	6,143
	19,869	161,577
Depreciation	273	5,141
Total other equipment and occupancy expenses	20,142	166,718
[i] Other expenses		
Accountancy fees	6,500	11,100
Advertising and promotion	4,063	12,601
Auditor - audit fees	3,924	4,500
Auditor - other services	2,755	520
Bank charges and fees	565	1,016
Computer software, support & training	2,050	1,883
Consulting fees	14,565	8,076
Credit card charges - eftpos	701	2,935
Directors expenses	801	311
Donations	0	500
Filing fees	708	113
Fox sport	0	10,690
General expenses	21	121
Legal expenses	43,177	2,123
Licence fees and association subscriptions	7,154	6,248
Memorabilia expenses	13,935	154
Pest control	0	841
Postage, printing & stationery	17,512	3,162
Relocation expenses	12,716	0
Security services	0	5,321
Sponsorship	0	542
Taxi and courier expenses	139	570
Telephone/internet	4,406	5,502
Other	1,272	0
	136,964	78,829
Amortisation expense	1,404	1,412
Total other expenses	138,368	80,241
[j] Cost of sales		
Bar	0	142,518
[k] Income tax expense		
Income tax expense	25,468	0
Total expenses	301,245	760,370
Total revenues	277,813	971,525
Less: Total expenses	(301,245)	(760,370)
Profit (loss) for the half year periods	(23,432)	211,155

THE RUGBY CLUB FOUNDATION LIMITED**[Formerly Rugby Club Ltd]**

[A Company Limited by Guarantee]

ABN 80 000 050 279

SUPPLEMENTARY INFORMATION [CONTINUED]**RUGBY DEVELOPMENT FUND**

for the six months transition period ended 30 June 2017

	2017	2016
	\$	\$
Income		
Donations, sponsorships and net raffle proceeds	2,073	555
Interest received	107	207
	2,180	762
Expenses		
Bank fees	0	0
Sponsorship and scholarships	0	0
	0	0
Net surplus (deficit)	2,180	762
Accumulated Funds		
Retained surplus at the beginning of the financial year	34,493	33,731
Net surplus (deficit) - six month period ending 30 June 2016	0	762
Net surplus (deficit) - six month period ending 31 December 2016	128	0
Net surplus (deficit) - six month transition period ending 30 June 2017	2,180	0
Retained surplus at the end of the financial year	36,801	34,493
Represented by:		
Current Assets		
Call deposit account	36,801	34,493
	36,801	34,493