

BAY STREET 4145 LIMITED
(formerly Rockdale RSL Sub Branch Club Limited)
48 001 286 228

**43rd FINANCIAL REPORT FOR THE YEAR ENDED
31 DECEMBER 2017**

Liability limited by a scheme approved under
Professional Standards Legislation

PRESIDENTS REPORT 2017

Dear Members,

On behalf of the Board of Directors, I am pleased to present to you the 43rd Annual Report of Rockdale RSL Sub Branch Club Limited and welcome you to the Annual General Meeting.

The Club ceased trading at 6pm on 29 August 2017. Following the reciting of the Ode of Remembrance for the last time in the old Club, members and guests moved outside to the area alongside the flagpole, where the Australian flag was lowered for the last time. I then presented the flag to the Sub Branch President, Mr John Sutton, for safe keeping until the new Club re-opens, where it will once again be raised. The flag will not be used for any other occasion during the period the Club is closed, and will be a symbolic attachment between the old and new Club.

For the first time this year, the AGM is not being held in the Club premises. This is due to the Club closing on the 29th August 2017, to enable redevelopment and the building of our new Club. The decision to close the Club on 29 August, was made by the Board of Directors for several reasons: Club patronage had fallen dramatically following the posting of demolition notices for the car park adjoining the western side of the Club; and more importantly, the heavy on-going trading losses which were occurring. Even though the construction of our new Club has still not yet begun, the continued trading of the Club would most certainly only have resulted in ongoing trading losses. It would have been a reckless and irresponsible decision to continue trading at a loss and I firmly believe the decision to close was sound and responsible.

Upon closure of the Club, all staff were paid their entitlements under the various Awards, and all Creditors have been paid.

Trading during the past year continued to be difficult, and the Club continued to trade at a loss. Our premises were tired, having been built and re-furbished in part, over many years, and were not conducive to attracting new clientele. The opportunity to purchase our Club premises from the RSL and build a new modern Club on the site will enable us to offer first class amenities, housed with a new state of the art premises, should once again help to make our Club a focal point of entertainment in the area. It is our intention to create a venue which will integrate with the local community, and provide good value food, entertainment and gaming.

Part of the negotiations with RSL Custodians Pty Ltd (the registered owners of the property) and following settlement in September 2017, we are not allowed to use the name RSL. We were given the option of using the name RSL but would have had to pay an annual licence fee for the use of the name. Your Board was not prepared to pay a licence fee for a name which our Club has used for nearly 100 years. I find it very short sighted of RSL Headquarters not to allow use of the name RSL within our community, which will effectively reduce the public awareness within Rockdale, of the RSL organisation and what it stands for.

Unable to use RSL within our name, we will need to rename our new Club. The decision on the new name will be made before the new Club re-opens. The first step will be changing the name of the trading business name holder from Rockdale RSL Sub-branch Club Limited to Bay Street 4145 Limited. This will occur on the 1st January 2018.

The Club will continue to support the ideals of the RSL, and Rockdale RSL Sub Branch will be housed within the new Club premises. We will continue to recite the Ode of Remembrance each night at 6.00pm; recognise Commemoration Sunday; Anzac Day; Remembrance Day; and all other important dates within the RSL calendar.

The Development Application (DA) for the new premises is currently before Bayside Council for consideration. There have been a great many issues to be resolved before the DA was acceptable to Council. The majority of issues have centred about parking; access to the Club from Bay Street; emission controls; and safety regulations. We have had to stand firm on some issues and prepared to bend on others. As at the date of this Annual Report, most of those issue have been satisfactorily resolved. I am confident we will be able to re-lodge the DA in an acceptable format, early in 2018.

The Club has appointed Mr Craig Munter from Makinson d'Apice as our new Club solicitor to assist with the processes related to the redevelopment. Along with Mr Paul de Maria from Hales Redden (our Club auditors), we have been fortunate in having extremely competent and professional people providing us with advice. I am truly grateful to both these gentlemen and their firms for their guidance and assistance in the help they have provided, and I thank them on behalf of the Board and members. Our local member, Mr Steve Kamper has taken great interest in our re-development, and has assisted in our discussions with local Council. Steve shares our passion for the new Club and the position it will assume in the local community, and his support both now and in the future gives us great confidence as we go forward.

I would like to now acknowledge the hard work and dedication of all our previous staff. It was an extremely difficult decision made to close the Club when we did, and all staff continued to work in a professional manner after they were made aware of the impending closure. Bill Campbell and his management team worked tirelessly in the rundown to the closure, and their commitment to maintaining the morale of the team was commendable. It was time to move on, and on behalf of the Board of Directors, and you the members, I thank all the staff for their dedication over the years and wish each, and every one of them, success and best wishes in their new endeavours.

Our suppliers have also been highly supportive over the years and supplied us with quality merchandise and services. Moving into our new premises will grant us the opportunity to market test to ensure we continue to provide you with he latest innovations and products.

As there are no staff members employed by the Club at present, there will not be a Secretary Managers report at this time.

Thank you for your past support, and I look forward in continuing to work towards the building of our new premises and welcoming you into our new Club soon.

Andrew P Dale
PRESIDENT

31 December 2017

DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors of Bay Street 4145 Ltd (formerly Rockdale RSL Sub-Branch Club Limited) present the Financial Reports of the Company (the Company or the Club) for the financial year ended 31 December 2017 and the Auditor's report thereon.

DIRECTORS

The directors of the Company at any time during or since the end of the financial year are as follows. All directors held office for the entire financial year and up to the date of this report, unless otherwise stated:

Dale, Andrew Phillip

Position - RSL Director, President and Chairman

Director - Appointed 6 April 1992

Club membership - Joined 1983

Qualifications – Retired Senior Bank Manager and Naval officer

Hooper, Ronald William

Position - Associate Director

Director - Appointed 6 April 1992

Club membership - Joined 1979

Qualifications - Retired gaming security

Johansen, Keith William

Position - RSL Director

Director - Appointed 4 July 2012

Club membership - Joined 1960

Qualifications - Retired Bank Manager

Johnson, Barry Robert

Position: Associate Director -

Appointed 19 May 2013

Club membership - Joined 1998

Qualifications - Retired sheet metal worker

Mann,Christina

Position - Associate Director

Director - Appointed 25 May 2014

Club Membership - Joined 2010

Qualifications — Judicial Clerk

COMPANY SECRETARY

William Richard CAMPBELL held the position of Company Secretary until 15 September 2017.

William Richard CAMPBELL was appointed Company Secretary on 29 May 2006.

Andrew Phillip DALE assumed the position of Company Secretary 16 September 2017 and will hold this position until the new Club opens.

DIRECTORS MEETINGS

The number of directors' meetings (including meetings of committees of directors) attended by each of the directors and number of meetings of the Company during the financial year are:

Number of meetings held during the time the Directors held office during the year	Board Meetings	
	Number of meetings attended	Number of meetings held*
A Dale	10	10
R Hooper	10	10
K Johansen	10	10
B Johnston	10	10
C Mann	10	10

OBJECTIVES AND STRATEGIES

Short term objectives:

To build a new and modern Club premises which will be the focal point of our community, providing members and their guests with first class, modern facilities. We will continue to support the local community, and engage local community organisations in an endeavour to foster long term relationships to maximise our exposure and involvement within our local area.

Our staff will need to possess and demonstrate excellent people skills, show empathy and respect to our customers, their fellow staff members and all who come into contact with the Club.

Long term objectives:

The Club's objective is to operate a profitable and well-informed business, focused on two key areas - the provision of premium recreational and leisure facilities and services to the local community and the promotion of the social welfare of its members, staff and the local community. This will be achieved through the provision of first class customer service and modern facilities which are targeted at the local demographic while maintaining the objective of the Club through prudent resource management and social responsibility.

The Club will continue to support and maintain the aims of the RSL movement through our ongoing association with the Rockdale RSL Sub Branch.

Strategies

The Club's Strategic Plans will be reviewed on a regular basis to ensure relevance in achieving our goals, through the use of professional finance management, current industry knowledge and key performance indicators combined with a proactive culture to ensure these strategies are achieved. Accountability measures will be implemented at all levels of the decision-making process.

Prior to occupying the new Club premises, further strategic plans will be developed in association with the new Management team.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year has continued to be that of a licensed social Club for its members and non-member visitors.

The Club ceased trading on 29 August 2017, to enable re-development of the current and adjoining (the old Fire Station) sites.

OPERATING AND FINANCIAL REVIEW

The net operating loss for the year is \$818,178 before the income tax liability of \$61,387. This compares with the ordinary operating loss of \$464,304 the previous year. The previous year loss covers a full 12 months trading, whereas the loss for 2017 only covers an eight-month trading period, due to the closure of the Club on 29 August 2017.

The Club completed the sale of its investment properties during the year, and now does not own any property other than the old Fire Station at 41 Bay Street, Rockdale. Upon closure, the furniture & fittings, and the remaining stock on hand were auctioned. The proceeds of the sale of property, furniture & fittings and stock on hand were utilised to pay outstanding creditors and staff redundancies.

Contributing to the overall loss for the period, the major items of expenditure were approximately \$528,564 in staff redundancies, and the full write-off of furniture and equipment, which is detailed fully within the accounts.

Our Balance Sheet will gain added strength in the future with the acquisition of new assets and the completion of our new Club.

MEMBERSHIP

Bay Street 4145 Limited is a company limited by guarantee and without share capital under the Corporations Act, incorporated in Australia. The amount of capital which is capable of being called up in the event of and only for, the winding up of the company is not to exceed \$2.00 per member, by virtue of the Company's Memorandum and Articles of Association.

The number of financial members at the end of the year was 2926 (2016: 2845)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Club premises and site:

Bay Street 4145 Limited (the Club) completed the purchase of the property known as 45 Bay Street Rockdale (the Club premises) on 15 September 2017. The property was purchased from RSL Custodians Pty Limited (as Trustees for the Rockdale RSL Sub Branch).

The Club was not in the financial position to fund the purchase, and therefore entered into an arrangement with a developer to fund the purchase of the Club premises. The Club effected a simultaneous settlement on the settlement date with RSL Custodians and the developer to enable the purchase of 45 Bay Street Rockdale. The Club then granted the developer the rights to develop the airspace above the Club, and which will incorporate the adjoining old Fire Station site.

In terms of the agreement, and in return, the developer has purchased the house at the rear of the Club. The developer will provide one level of underground parking for sole use of the Club and its members; and will build and fit-out the new Club premises which will span 41 – 45 Bay Street Rockdale (including the purchased house property at the rear of the existing Club) Upon completion, the Club will be the owners of the underground parking level and the Club premises site under a Stratum arrangement.

Naming of the Club:


As part of the conditions with the purchase of the Club premises from RSL Custodians Pty Ltd, the Club would have been required to pay an annual licence fee to the RSL to enable the use of RSL in the Club name. The Board of Directors unanimously rejected this aspect of the negotiation, and from the date of settlement, will no longer be known as Rockdale RSL Sub Branch Club. Therefore, effective from the 15 September 2017, the holding company will temporarily be known as Bay Street 4145 Limited.

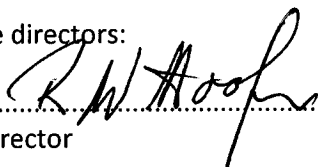
The Club will continue to maintain and foster the aims of the RSL movement, and the Rockdale RSL Sub Branch will be housed within the Club premises.

AUDITORS INDEPENDENCE DECLARATION

The lead auditor's independence declaration is attached and forms part of the Directors Report for the financial year ended 31 December 2017.

This report is made in accordance with a resolution of the directors:


.....
Chairman of Directors


.....
Director

Dated this *8th* day of *may* 2018

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF
BAY STREET 4145 LTD**

We hereby declare that, to the best of our knowledge and belief, during the financial year ended 31 December 2017 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.

Name of Firm: Hales Redden
Chartered Accountants

Name of Director: 

Paul de Maria

Address: 24 Bay Street, Rockdale NSW 2216

Dated this 8th day of May 2018

BAY STREET 4145 LTD
A.B.N: 48 001 286 228

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
Revenue	2	1,415,727	3,827,949
Cost of sales		(191,931)	(272,932)
Gross profit		1,223,796	3,555,017
Depreciation and amortisation expenses		(174,115)	(307,772)
Finance costs		(25,740)	(15,592)
Other expenses	3	(2,834,041)	(3,695,957)
Profit/(Loss) before income tax		(1,810,100)	(464,304)
Income tax expense	4	(61,387)	-
Loss after income tax		(1,871,487)	(464,304)
Other comprehensive income:			
Net gain on sale of Property		991,921	-
Other comprehensive income for the year, net of tax		991,921	-
Total comprehensive income attributable to members of the entity		(879,566)	(464,304)

The accompanying notes form part of these financial statements.

BAY STREET 4145 LTD
A.B.N: 48 001 286 228

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	5	529,024	220,032
Trade and other receivables	6	42,649	111,639
Inventories	7	-	67,875
TOTAL CURRENT ASSETS		571,673	399,547
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,351,839	3,930,456
TOTAL NON-CURRENT ASSETS		1,351,839	3,930,456
TOTAL ASSETS		1,923,512	4,330,003
CURRENT LIABILITIES			
Trade and other payables	9	126,870	1,265,132
Financial liabilities	10	-	96,133
Provisions	11	-	292,531
TOTAL CURRENT LIABILITIES		126,870	1,653,796
NON-CURRENT LIABILITIES			
Trade and other payables	9	-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		126,870	1,653,796
NET ASSETS		1,796,642	2,676,207
EQUITY			
Retained earnings	12	1,796,641	2,676,207
TOTAL EQUITY		1,796,641	2,676,207

The accompanying notes form part of these financial statements.

BAY STREET 4145 LTD
A.B.N: 48 001 286 228

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Retained Earnings / (Accumulated losses) \$	Total \$
At 1 January 2016		3,140,511	3,140,511
Loss for the year		(464,304)	(464,304)
At 31 December 2016		<u>2,676,207</u>	<u>2,676,207</u>
Loss for the year		(879,566)	(879,566)
At 31 December 2017		<u>(879,566)</u>	<u>(879,566)</u>
		<u>1,796,641</u>	<u>1,796,641</u>

The accompanying notes form part of these financial statements.

BAY STREET 4145 LTD
A.B.N: 48 001 286 228

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,924,753	3,828,234
Payments to suppliers and employees	(3,796,760)	(4,042,767)
Interest received	29,034	-
Income Taxes (Paid)/Refunds	-	-
Net cash provided by (used in) operating activities	<u>(1,842,973)</u>	<u>(214,533)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	8,113,404	13,874
Payments for property, plant and equipment	(5,940,872)	(585,861)
Net cash provided by (used in) investing activities	<u>2,172,532</u>	<u>(571,987)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Funds (to)/from borrowings	-	705,000
Net cash provided by (used in) financing activities	<u>-</u>	<u>705,000</u>
Net increase (decrease) in cash held	329,559	(81,520)
Cash at beginning of year	199,465	280,985
Cash at end of year	<u>529,024</u>	<u>199,465</u>

The accompanying notes form part of these financial statements.

BAY STREET 4145 LTD
A.B.N: 48 001 286 228

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Corporate Information

The financial statements of the Rockdale RSL Sub-Branch Club Ltd (the Company) for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of directors on 20 April 2018

The Rockdale RSL Sub-Branch Club Ltd is a company limited by guarantee, incorporated and domiciled in Australia. The address of the Company's registered office is 41-45 Bay Street, Rockdale, New South Wales, 2216.

The Company is primarily involved in the conduct and promotion of a licensed social club for its members and non-member visitors to the Company's facilities.

1 Statement of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASBs) and Interpretations issued by the Australian Accounting Standards Board (AASB), the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

Revenue Recognition

Revenue is recognised when the Company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office. Sales revenue is recognised when the control of goods passes to the customer.

Interest income on bank deposits is recognised as it accrues in profit or loss, using the effective interest method.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category they have been allocated to activities on a basis consistent with use of the resources.

Cash and Cash Equivalents

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

BAY STREET 4145 LTD
A.B.N: 48 001 286 228

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Inventories

Inventories are measured at the lower of cost and or net realisable value. The cost of inventories is based on the first-in-first-out (FIFO) principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Property, Plant and Equipment

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

Property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. Investment properties are derecognised when they have been disposed of. Any gain or losses on disposal of an investment property are recognised in statement of comprehensive income in the year in which they arise.

Freehold land and buildings are measured initially at cost, including transaction costs.

Plant and equipment

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

The carrying amount of plant and equipment is reviewed annually by the director 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.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life's of each component of an item of property, plant and equipment. Land is not depreciated.

The average depreciation rates in the current and comparative years are as follows:

- Leasehold Improvements - 10%
- Plant and Equipment - 20% - 30%
- Motor Vehicles - 25%

BAY STREET 4145 LTD
A.B.N: 48 001 286 228

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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.

Trade Creditors and Other Payables

Trade payables and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid. These amounts are usually settled in accordance to terms of trade. The carrying amount of the creditors and payables is deemed to reflect fair value.

Employee Benefits

Provision is made for the liability due to employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year together with benefits arising from wages and salaries, sick leave and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimate future cash outflows to be made for those benefits.

Contributions are made to employee superannuation funds and are charged as expenses when incurred. All employees are entitled to varying levels of benefits on retirement, redundancy, disability or death. The superannuation plans or equivalent provide accumulated benefits. Contributions are made in accordance with the statutory requirements of each jurisdiction.

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.

Income Tax

Based upon the provisions of the Income Tax Act the company is liable for income tax only on the proportion of other net income deemed to be derived from the activities of non members based on the formula based on attendance surveys.

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. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

BAY STREET 4145 LTD
A.B.N: 48 001 286 228

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
2 Revenue		
Operating Activities (Revenue);		
Bar Sales	274,076	508,224
Poker Machine Takings	1,386,332	2,823,574
Interest Received	28,589	-
Rental Income	93,894	178,427
Commissions	62,091	123,623
Settlement Extension Fee	104,166	137,500
Insurance Recovery	-	-
Sundry Income	400	33,379
Members Subscriptions	5,639	10,287
Profit (Loss) on Sale of Non-Current Assets	- 539,460	12,935
	<u>1,415,727</u>	<u>3,827,949</u>
Non operating		
Capital Profit on Sale of Properties	991,921	-
Total Revenue	<u><u>2,407,648</u></u>	<u><u>3,827,949</u></u>
3 Expenses from Ordinary Activities		
Expenses		
Employee Wages	1,011,001	959,286
Entertainment	240,640	396,800
Poker Machine Duty	247,739	456,056
Other expenses from ordinary activities	1,334,661	1,883,815
Total Expenses	<u><u>2,834,041</u></u>	<u><u>3,695,957</u></u>
4 Income Tax Expense		
Income Tax Expense	61,387	-
Total Income Tax Expense	<u><u>61,387</u></u>	<u><u>-</u></u>

BAY STREET 4145 LTD
A.B.N: 48 001 286 228

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
5 Cash and Cash Equivalents		
Current		
Cash on Hand	500	157,800
TAB Float	-	5,000
Gift Vouchers Control Account	-	10,690
National Australia Bank - Inv A/C	528,524	41,702
National Australia Bank - Card It	-	3,840
National Australia Bank - SWL	-	1,000
	<u>529,024</u>	<u>220,032</u>
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on Hand	500	157,800
TAB Float	-	5,000
Gift Vouchers Control Account	-	10,690
National Australia Bank Accounts	528,524	25,975
	<u>529,024</u>	<u>199,465</u>
6 Trade and Other Receivables		
Current		
Sundry Debtors	15,054	13,209
GST Refundable	18,692	-
Tax Refundable	-	-
Prepayments	8,903	98,430
Total Trade and Other Receivables	<u>42,649</u>	<u>111,639</u>
7 Inventories		
Current		
Trading Stock - at cost	-	67,875
Total Inventories	<u>-</u>	<u>67,875</u>

BAY STREET 4145 LTD
A.B.N: 48 001 286 228

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
8 Property, Plant and Equipment		
FREEHOLD PROPERTY		
Pre Acquisition Costs	-	639,305
Lot 10 Catalina Close Nelsons Bay	-	296,913
18 Rigney St Shoal Bay	-	309,564
41 Bay Street Rockdale	1,309,892	1,309,892
7 Palm Street Tuncurry	-	519,519
	<u>1,309,893</u>	<u>3,075,193</u>
LEASEHOLD IMPROVEMENTS		
Property Leasehold Improvements	-	4,490,509
Less accumulated depreciation	0	(4,335,907)
	<u>0</u>	<u>154,602</u>
Total Land and Buildings	<u>1,309,893</u>	<u>3,229,795</u>
PLANT AND EQUIPMENT		
Plant and Equipment	0	1,786,931
Accumulated depreciation	0	(1,626,018)
	<u>0</u>	<u>160,913</u>
Motor Vehicles	0	35,966
Accumulated depreciation	0	(32,199)
	<u>0</u>	<u>3,767</u>
Poker Machines	315,298	2,603,049
Accumulated depreciation	(273,352)	(2,180,801)
	<u>41,946</u>	<u>422,248</u>
Bar Furniture & Fittings	0	359,775
Accumulated depreciation	0	(342,683)
	<u>0</u>	<u>17,092</u>
Unit Furniture & Fittings	0	89,628
Accumulated depreciation	0	(58,982)
	<u>0</u>	<u>30,646</u>

BAY STREET 4145 LTD
A.B.N: 48 001 286 228

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
Air Conditioning Plant	0	393,160
Accumulated depreciation	0	(351,927)
	<u>0</u>	<u>41,233</u>
Café Equipment	0	76,312
Accumulated depreciation	0	(69,913)
	<u>0</u>	<u>6,399</u>
Crockery, Cutlery & Utensils	<u>0</u>	<u>18,364</u>
Total Plant and Equipment	<u>41,946</u>	<u>700,661</u>
Total Property, Plant and Equipment	<u><u>1,351,839</u></u>	<u><u>3,930,456</u></u>
9 Trade and Other Payables		
Current		
Members Cashless Liability	-	4,314
Deposit Property Sale	-	280,000
Property Sale Advance	-	425,000
GST & Income Tax Payable	61,387	102,410
Trade Creditors	65,483	447,788
Income in Advance	-	5,620
	<u>126,870</u>	<u>1,265,132</u>
Current Trade and Other Payables	<u><u>126,870</u></u>	<u><u>1,265,132</u></u>
Non-Current		
Trade Creditors	-	-
	<u>-</u>	<u>-</u>
Non Current Trade and Other Payables	<u>-</u>	<u>-</u>
Total Trade and Other Payables	<u><u>126,870</u></u>	<u><u>1,265,132</u></u>

BAY STREET 4145 LTD
A.B.N: 48 001 286 228

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 \$	2016 \$
10 Financial Liabilities		
Current		
National Australia Bank		20,567
Hunter Premium Funding		72,088
Less: Unexpired Interest	-	5,110
GST Rebate Scheme		8,588
Total Financial Liabilities	-	96,133
11 Provisions		
Provision for Holiday Pay	-	131,297
Provision for Long Service Leave	-	161,234
Total Provisions	-	292,531
12 Retained Earnings		
Retained earnings at the beginning of the financial year	2,676,207	3,140,511
Net profit/(loss) attributable to members of the company	(879,566)	(464,304)
Retained earnings at the end of the financial year	1,796,641	2,676,207
13 Cash Flow Information		
Reconciliation of net cash provided by		
Operating profit (loss) after income tax	(879,566)	(464,304)
<u>Non Cash Flows in Operating Profit:</u>		
Amortisation	46,554	73,067
Depreciation	127,561	234,705
Net (gain)/Loss on disposal of Assets	539,460	(12,935)
Net (gain)/Loss on disposal of Property	(991,921)	
<u>Change in Assets & Liabilities:</u>		
(Increase)/Decrease in Sundry Debtors	(1,845)	15,401
(Increase)/Decrease in Current Inventories	67,875	5,978
(Increase)/Decrease in Prepayments	89,527	(2,904)
Increase/(Decrease) in Sundry Creditors	(79,880)	(35,524)
Increase/(Decrease) in Trade Creditors	(382,305)	81,571
Increase/(Decrease) in Income in Advance	(5,620)	300
Increase/ (Decrease) in Provisions	(313,098)	6,512
Increase/ (Decrease) in Tax Liability	(59,715)	(116,400)
Net Cash Provided by Operating Activities	(1,842,973)	(214,534)

BAY STREET 4145 LTD
A.B.N: 48 001 286 228

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2017
\$

2016
\$

14 Financial Instruments

Financial Risk Management

The company's financial instruments consists primarily of deposits with banks, cash on hand, core and non core real estate assets, accounts receivable and payable, finance arrangements and leases.

The company does not have any derivative instruments at 31 December 2017

15 Capital Commitments

There are no capital expenditure commitments contracted for at balance date.

16 Related Parties and Related-Party transactions

- (a) As authorised at the Company's Annual General Meeting, the President received a \$3,500 honorarium (2016: \$3,500). With the exception of this, no other director received any remuneration during the year, or in prior year.

During the year, conference and seminar expenses totalling \$0 (2016: \$0) incurred by directors in fulfilling their role were reimbursed.

There were no person(s) related to a director or top executive employed during the year.

- (b) The club did not enter into any contract with any of the directors or top executives during the year, or in any contract in which a director or top executive had an interest.

- (c) The club did not incur any legal fees on behalf of its directors, top executives or employees during the year.

17 Net Revenue from Poker Machine Takings

The total amount of profits (within the meaning of the Gaming Machines Act 2001) from the operations of approved gaming machines in the club during the 12 month gaming machine tax period ending on 31 August 2017 was \$2,277,577

18 Community Development and Support

The amount applied by the Club to the Community Development and Support under part 4 of the Gaming Machine Tax Act 2001 for the year ended 31 August 2017 was \$24,000

BAY STREET 4145 LTD
A.B.N: 48 001 286 228


**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

In the

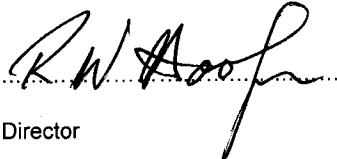
- (a) the financial statements and notes that are attached are in accordance with the *Corporations Act 2001*, including:
- (i) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors by:

SIGNED in accordance with the resolution of the BOARD OF DIRECTORS



Chairman of Directors



Director

Dated 8 May 2018

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BAY STREET 4145 LTD
A.B.N: 48 001 286 228**

Report on the Financial Report

We have audited the accompanying financial report of Rockdale RSL Sub Branch Club Ltd (the "Company") which comprises the statement of financial position as at 31 December 2017, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the director's declaration.

Director's 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 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 is free from material misstatement whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with the 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 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 auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the director, 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 are complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Rockdale RSL Sub-Branch Club Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

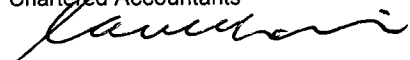
**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BAY STREET 4145 LTD
A.B.N: 48 001 286 228**

Auditors' Opinion

In our opinion the financial report of Bay Street 4145 Ltd is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Name of Firm: Hales Redden
Chartered Accountants



Name of Director: Paul de Maria

Address: 24 Bay Street Rockdale NSW 2216

Dated this 8th **day of** MAY 2018.