

Wangi Wangi RSL Sub-Branch Club Limited

ABN 20 001 020 784

Annual Report - 31 December 2016

Wangi Wangi RSL Sub-Branch Club Limited

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31 December 2016

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Wangi Wangi RSL Sub-Branch Club Limited
Directors' report
31 December 2016

The directors present their report, together with the financial statements, on the Club for the year ended 31 December 2016.

Directors

The following persons were directors of the Club during the whole of the financial year and up to the date of this report, unless otherwise stated:

John Cizzio
Noel Butler
Ross Ahrens (appointed 12 March 2016)
George Dann
Les McAllister
Sally Mishell
Ray Robinson
Douglas Messenger
Gail Walton (resigned 12 March 2016)

Objectives

The Club's short-term objectives are to:

- Consult and communicate with staff and membership to enhance the Board's decision making on their behalf;
- Prepare a visionary plan for the Club and its role within the Wangi Wangi community;
- Update the Constitution and confirm the objectives of the Club; and
- Update, within our financial resources, the Club's bar, gaming and catering activities and finalise a capital works program for the jetty extension.

The Club's long-term objectives are to:

- Revise and update the Club's strategic plan in a timely manner;
- Equip the Club with state-of-the-art technology to maximise operation efficiency;
- Protect the Club from risks arising within or outside our controls e.g. threats to our core operating activities; and
- Maintain industry best practice goals.

Principal activities

During the financial year the principal continuing activities of the Club consisted of the conduct of a Licensed Club.

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

Operating results

The profit of the Club after providing for income tax amounted to \$52,231 (2015: \$39,660).

Environmental issues

The Directors believe the Club has complied with all significant environmental regulations under a law of Commonwealth or of a state or territory.

After balance date events

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

Information on directors

Name:	John Cizzio
Title:	President
Occupation:	Landscaper
Years of Service:	3 years

Wangi Wangi RSL Sub-Branch Club Limited
Directors' report
31 December 2016

Name: Noel Butler
Title: Vice President
Occupation: Retired
Years of Service: 5 years

Name: Ross Ahrens
Title: Treasurer
Occupation: Retired
Years of Service: Appointed 12 March 2016

Name: George Dann
Title: Director
Occupation: Volunteer
Years of Service: 4 years

Name: Les McAllister
Title: Director
Occupation: Retired
Years of Service: 2 years

Name: Sally Mishell
Title: Director
Occupation: Retired
Years of Service: 2 years

Name: Ray Robinson
Title: Director / Secretary
Occupation: Retired
Years of Service: 2 years

Name: Douglas Messenger
Title: Director
Occupation: Company Director
Years of Service: 2 years

Name: Gail Walton
Title: Director
Occupation: Flight Attendant
Years of Service: Resigned 12 March 2016

Company secretary

The following person held the position of Club secretary at the end of the financial year:

Ray Robinson who has held the position for 1 year.

Wangi Wangi RSL Sub-Branch Club Limited
Directors' report
31 December 2016

Meetings of directors

The number of meetings of the Club's Board of Directors ('the Board') held during the year ended 31 December 2016, and the number of meetings attended by each director were:

	Attended	Held
John Cizzio	12	15
Noel Butler	11	15
Ross Ahrens	11	13
George Dann	9	15
Les McAllister	10	15
Sally Mishell	8	15
Ray Robinson	15	15
Douglas Messenger	12	15
Gail Walton	2	2

Held: represents the number of meetings held during the time the director held office.

Future developments

The Board continues to finalise the conditions of the Jetty extension development consent to allow future occupancy of the facility.

The Board has also prepared a capital expenditure program to improve the facilities available at the Club including bar, gaming and entertainment services.

Contributions on winding up

In the event of the Club being wound up, ordinary members are required to contribute a maximum of \$6 each. Honorary members are not required to contribute.

The total amount that members of the Club are liable to contribute if the Club is wound up is \$15,546, based on 2,591 current ordinary members (2015: \$14,496).

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



John Cizzio
Director



Ray Robinson
Director

7 February 2017

Unit 1, 1 Pioneer Avenue
PO Box 3399
Tuggerah NSW 2259

T: (02) 4353 2333
F: (02) 4351 2477

e: mail@bishopcollins.com.au



Suite 1, Level 11
49-51 York Street
Sydney NSW 2000

T: (02) 9262 4420
F: (02) 9262 4739

w: www.bishopcollins.com.au

INDEPENDENT AUDITOR'S DECLARATION TO THE MEMBERS OF WANGI WANGI RSL SUB BRANCH CLUB LIMITED

We hereby declare that to the best of our knowledge and belief during the year ended 31 December 2016, 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

Bishop Collins Audit Pty Ltd
Chartered Accountants

Name of Registered Company Auditor



David McClelland

Auditor's Registration No.

431227

Address

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated

7 February 2017



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Unit 1, 1 Pioneer Avenue
PO Box 3399
Tuggerah NSW 2259

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F: (02) 4351 2477

e: mail@bishopcollins.com.au



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F: (02) 9262 4739

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WANGI WANGI RSL SUB BRANCH CLUB LIMITED

Qualified Opinion

We have audited the accompanying financial report of Wangi Wangi RSL Sub Branch Club Limited ("the Club") which comprises the statement of financial position as at 31 December 2016, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Auditor's Opinion section of our report, the accompanying financial report of Wangi Wangi RSL Sub Branch Club Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Club's financial position as at 31 December 2016 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 2013*.

Basis for Qualified Auditor's Opinion

The financial report for the year ended 31 December 2015 of Wangi Wangi RSL Sub Branch Club Limited was audited by another auditor whose report dated 29 January 2016 expressed an unmodified opinion on that financial report. In conducting the audit for the year ended 31 December 2016, we were unable to obtain sufficient appropriate audit evidence in respect of comparatives and opening balances in the financial report.

Responsibilities of the Directors for the Financial Report

The directors of the Club 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.

In preparing the financial report, the directors are responsible for assessing the Club'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 Club or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in



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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 Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Club'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 Club 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.

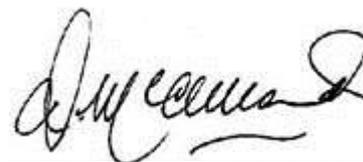
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Name of Firm

Bishop Collins Audit Pty Ltd
Chartered Accountants

Name of Registered Company Auditor



David McClelland

Auditor's Registration No.

431227

Address

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated

7 February 2017

Wangi Wangi RSL Sub-Branch Club Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2016

	Note	2016 \$	2015 \$
Revenue	5	1,683,065	1,619,991
Other income	6	12,042	16,714
Expenses			
Cost of goods sold		(361,525)	(386,316)
Advertising and marketing expenses		(10,481)	(20,881)
Employee benefits expense		(422,426)	(429,217)
Equipment lease expenses		(6,506)	(34,694)
Depreciation and amortisation expense		(91,408)	(48,251)
Entertainment and promotions expenses		(132,035)	(162,366)
Gaming expenses		(24,690)	(23,629)
Insurance expenses		(43,066)	(41,691)
Loss on disposal of assets		(31,461)	(1,941)
Occupancy expenses		(209,930)	(138,200)
Printing, postage and stationery expenses		(14,124)	(9,082)
Repairs and maintenance expenses		(67,509)	(20,900)
Raffle and bingo expenses		(138,134)	(140,390)
Telephone, internet and computer expenses		(27,530)	(47,070)
Other expenses		(42,080)	(70,639)
Finance costs		(19,971)	(21,778)
Surplus before income tax expense		52,231	39,660
Income tax expense		-	-
Surplus after income tax expense for the year	17	52,231	39,660
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>52,231</u>	<u>39,660</u>

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

Wangi Wangi RSL Sub-Branch Club Limited
Statement of financial position
As at 31 December 2016

	Note	2016 \$	2015 \$
Assets			
Current assets			
Cash and cash equivalents	7	235,853	201,504
Trade and other receivables	8	3,129	4,443
Inventories	9	21,017	29,652
Other	10	31,009	28,380
Total current assets		<u>291,008</u>	<u>263,979</u>
Non-current assets			
Property, plant and equipment	11	590,724	524,832
Total non-current assets		<u>590,724</u>	<u>524,832</u>
Total assets		<u>881,732</u>	<u>788,811</u>
Liabilities			
Current liabilities			
Trade and other payables	12	195,125	154,419
Borrowings	13	112,833	313,684
Employee benefits	14	10,871	8,709
Total current liabilities		<u>318,829</u>	<u>476,812</u>
Non-current liabilities			
Borrowings	15	293,164	89,562
Employee benefits	16	-	4,929
Total non-current liabilities		<u>293,164</u>	<u>94,491</u>
Total liabilities		<u>611,993</u>	<u>571,303</u>
Net assets		<u>269,739</u>	<u>217,508</u>
Equity			
Retained surpluses	17	269,739	217,508
Total equity		<u>269,739</u>	<u>217,508</u>

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

Wangi Wangi RSL Sub-Branch Club Limited
Statement of changes in equity
For the year ended 31 December 2016

	Retained surpluses \$	Total equity \$
Balance at 1 January 2015	177,848	177,848
Surplus after income tax expense for the year	39,660	39,660
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	39,660	39,660
Balance at 31 December 2015	<u>217,508</u>	<u>217,508</u>
	 Retained surpluses \$	 Total equity \$
Balance at 1 January 2016	217,508	217,508
Surplus after income tax expense for the year	52,231	52,231
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	52,231	52,231
Balance at 31 December 2016	<u>269,739</u>	<u>269,739</u>

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

Wangi Wangi RSL Sub-Branch Club Limited
Statement of cash flows
For the year ended 31 December 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,849,282	1,765,718
Payments to suppliers and employees (inclusive of GST)		<u>(1,620,992)</u>	<u>(1,769,997)</u>
		228,290	(4,279)
Interest received		407	2,828
Insurance recoveries		11,635	13,886
Interest and other finance costs paid		<u>(19,971)</u>	<u>(21,778)</u>
Net cash from/(used in) operating activities		<u>220,361</u>	<u>(9,343)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	11	<u>(74,748)</u>	<u>(23,830)</u>
Net cash used in investing activities		<u>(74,748)</u>	<u>(23,830)</u>
Cash flows from financing activities			
Repayment of borrowings		<u>(111,264)</u>	<u>(3,366)</u>
Net cash used in financing activities		<u>(111,264)</u>	<u>(3,366)</u>
Net increase/(decrease) in cash and cash equivalents		34,349	(36,539)
Cash and cash equivalents at the beginning of the financial year		<u>201,504</u>	<u>238,043</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>235,853</u></u>	<u><u>201,504</u></u>

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

Wangi Wangi RSL Sub-Branch Club Limited
Notes to the financial statements
31 December 2016

Note 1. General information

The financial statements cover Wangi Wangi RSL Sub-Branch Club Limited as an individual entity. The financial statements are presented in Australian dollars, which is Wangi Wangi RSL Sub-Branch Club Limited's functional and presentation currency.

Wangi Wangi RSL Sub-Branch Club Limited is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 7 February 2017. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

The Club has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Club's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Going concern

At 31 December 2016, the Club's current liabilities (\$318,829) exceed its current assets (\$291,008) by \$27,821. Notwithstanding this deficiency, the financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the extinguishment of liabilities in the ordinary course of business.

The Directors of the Club have considered the going concern assumption appropriate with consideration to the following:

- The Club's budget for 2017 has estimated a surplus;
- Current liabilities, including rebates in advance (\$7,159) and membership subscriptions paid in advance (\$17,149) will not require cash settlement; and
- It is not anticipated that employee entitlements of \$10,871 will be extinguished by 31 December 2017.

It is with full consideration of the factors noted above that the financial statements have been prepared on a going concern basis.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Club and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Wangi Wangi RSL Sub-Branch Club Limited
Notes to the financial statements
31 December 2016

Note 2. Significant accounting policies (continued)

Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Rendering of services

Rendering of services revenue is recognised by reference to the stage of completion of the transaction.

Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each transaction. Where the outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

Membership revenue

Membership revenue is recognised on a proportional basis over the period of the membership.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rent

Rent revenue from catering operations is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense / (benefit) for the year comprises current income tax expense / (benefit) and deferred tax expense / (benefit).

Current income tax expense charged to the statement of profit or loss and other comprehensive income is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities / (assets) are therefore measured at the amounts expected to be paid to / (recovered from) the Australian Taxation Office.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred tax expense / (benefit) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantially enacted at the end of the reporting year. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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.

Note 2. Significant accounting policies (continued)

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Club's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Club's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Club will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

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

Property, plant and equipment

Land is carried at historical cost less accumulated impairment.

Property, plant and equipment (excluding land) is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	20-40 years
Plant and equipment	2-15 years
Motor vehicles	10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Note 2. Significant accounting policies (continued)

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Club. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Impairment of non-financial assets

Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Club prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other payables in the statement of financial position.

Note 2. Significant accounting policies (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

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

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Club assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Club and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The Club is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Club recognises liabilities for anticipated tax audit issues based on the Club's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Club considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates, probability factors and pay increases through promotion and inflation have been taken into account.

Mortality fund

Members of the club who have contributed to the mortality fund are entitled to \$100 payment in the event of their death during the five years following their initial contribution to the fund. The contingent liability occurring as a result of this fund is based on the estimated number of members entitled to this benefit.

Wangi Wangi RSL Sub-Branch Club Limited
Notes to the financial statements
31 December 2016

Note 4. Restatement of comparatives

Prior period restatement

Subsequent to the release of the 31 December 2015 financial report the board of directors revised the measurement basis and accounting policy applied to employee entitlements to ensure compliance with Australian Accounting Standard AASB`9 'Employee Benefits'. As a result, the restatement of the following line items for the year ended 31 December 2015 was required:

- Employee benefits expense decreased by \$2,108;
- Current employee benefit provisions decreased by \$10; and
- Non-current employee benefit provisions decreased by \$2,098.

Statement of Financial Position

Extract	2015 \$ Reported	\$ Adjustment	2015 \$ Restated
Current liabilities			
Employee benefits	8,719	(10)	8,709
Total current liabilities	476,822	(10)	476,812
Non-current liabilities			
Employee benefits	7,027	(2,098)	4,929
Total non-current liabilities	96,589	(2,098)	94,491
Net assets	215,410	2,108	217,508
Equity			
Retained surpluses	215,410	2,108	217,508
Total equity	215,410	2,108	217,508

Statement of Profit or Loss and Other Comprehensive Income

Extract	2015 \$ Reported	\$ Adjustment	2015 \$ Restated
Expenses			
Employee benefit expense	431,325	(2,108)	429,217
Surplus before income tax expense	37,552	2,108	39,660
Income tax expense	-	-	-
Surplus after income tax expense	37,552	2,108	39,660

Reclassification

Certain comparative figures have been reclassified to conform to the current year's presentation.

Wangi Wangi RSL Sub-Branch Club Limited
Notes to the financial statements
31 December 2016

Note 5. Revenue

	2016	2015
	\$	\$
Bar sales	851,707	862,557
Poker machine net clearances	575,622	473,535
Gaming commissions	42,575	79,639
Raffles and bingo revenue	121,807	117,862
Membership subscriptions	12,201	11,736
Poker machine duty rebate	17,180	17,179
Commissions received	11,959	2,062
Rent received	15,317	11,591
Other revenue	34,697	43,830
	<u>1,683,065</u>	<u>1,619,991</u>

Note 6. Other income

	2016	2015
	\$	\$
Insurance recoveries	11,635	13,886
Interest received	407	2,828
	<u>12,042</u>	<u>16,714</u>

Note 7. Current assets - cash and cash equivalents

	2016	2015
	\$	\$
Cash on hand	40,000	34,040
Cash at bank	195,853	167,464
	<u>235,853</u>	<u>201,504</u>

Note 8. Current assets - trade and other receivables

	2016	2015
	\$	\$
Trade receivables	3,129	3,760
Other receivables	-	683
	<u>3,129</u>	<u>4,443</u>

Note 9. Current assets - inventories

	2016	2015
	\$	\$
Stock on hand - at cost	<u>21,017</u>	<u>29,652</u>

Wangi Wangi RSL Sub-Branch Club Limited
Notes to the financial statements
31 December 2016

Note 10. Current assets - other

	2016	2015
	\$	\$
Prepayments	26,009	23,380
Security deposits	5,000	5,000
	<u>31,009</u>	<u>28,380</u>

Note 11. Non-current assets - property, plant and equipment

	2016	2015
	\$	\$
Land - at cost	88,952	88,952
Leasehold improvements - at cost	810,741	810,741
Less: Accumulated depreciation	(664,555)	(640,649)
	<u>146,186</u>	<u>170,092</u>
Plant and equipment - at cost	1,007,590	928,126
Less: Accumulated depreciation	(672,663)	(668,524)
	<u>334,927</u>	<u>259,602</u>
Motor vehicles - at cost	14,545	-
Less: Accumulated depreciation	(72)	-
	<u>14,473</u>	<u>-</u>
Capital work in progress - at cost	6,186	6,186
	<u>590,724</u>	<u>524,832</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land	Leasehold	Plant and	Motor	Capital Work	Total
	\$	Improvements	Equipment	Vehicles	in Progress	\$
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2016	88,952	170,092	259,602	-	6,186	524,832
Additions	-	-	174,218	14,545	-	188,763
Disposals	-	-	(31,463)	-	-	(31,463)
Depreciation expense	-	(23,906)	(67,430)	(72)	-	(91,408)
Balance at 31 December 2016	<u>88,952</u>	<u>146,186</u>	<u>334,927</u>	<u>14,473</u>	<u>6,186</u>	<u>590,724</u>

Wangi Wangi RSL Sub-Branch Club Limited
Notes to the financial statements
31 December 2016

Note 11. Non-current assets - property, plant and equipment (continued)

Core Property and Non-Core Property

As required by the Registered Clubs Act 1976 ("the Act"), No 31 section 41J(2), the Club's core and non-core property is as follows:

Core Property

Lots 113/ DP 8840, 114/ DP 8840, and 115/ DP 8840, Watkins Road, Wangi Wangi - Clubhouse building owned by the Wangi Wangi RSL Sub Branch and leased to the Club

Non-Core Property

Lots 116/ DP 8840, 117/ DP 8840, and 1181 / DP 1145231, Watkins Road, Wangi Wangi - used for car parking facilities
 Lot 1182/ DP 1145231, Watkins Road, Wangi Wangi - leased to the Sailing Club

Land

Land is valued at cost. Market value of land is in excess of the cost values per an independent assessment performed by a member of the Australian Property Institute, having recent experience in the location and category of the land being valued. The most recent valuation report valued the land comprising Lots 116/ DP 8840, 117/ DP 8840, 1181/ DP 1145231, and 1182/ DP 1145231 at \$1,350,000 as at 15 November 2016.

Note 12. Current liabilities - trade and other payables

	2016	2015
	\$	\$
Trade payables	84,928	65,870
Rebate in advance	7,159	7,159
Income in advance	17,149	15,186
BAS payable	23,866	12,159
Other payables	62,023	54,045
	<u>195,125</u>	<u>154,419</u>

Note 13. Current liabilities - borrowings

	2016	2015
	\$	\$
Loan - South Lake Macquarie RSL Sub-Branch	-	210,000
Loan - Premium Funding Insurance	13,117	18,456
Unexpired rent contribution	24,520	-
Hire purchase	75,196	85,228
	<u>112,833</u>	<u>313,684</u>

Wangi Wangi RSL Sub-Branch Club Limited
Notes to the financial statements
31 December 2016

Note 14. Current liabilities - employee benefits

	2016	2015
	\$	\$
Annual leave	9,946	3,984
Long service leave	-	4,725
Sick leave	925	-
	<u>10,871</u>	<u>8,709</u>

Note 15. Non-current liabilities - borrowings

	2016	2015
	\$	\$
Loan - South Lake Macquarie RSL Sub-Branch	210,000	-
Hire purchase	83,164	89,562
	<u>293,164</u>	<u>89,562</u>

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	2016	2015
	\$	\$
Loan - South Lake Macquarie RSL Sub-Branch	210,000	210,000
Hire purchase	158,360	174,790
	<u>368,360</u>	<u>384,790</u>

The loan from South Lake Macquarie RSL Sub-Branch is secured by first mortgages over the Club's land and buildings. The hire purchase borrowings are secured by the assets to which they relate including poker machines and an eBet ticketing system.

The loan from South Lake Macquarie RSL Sub-Branch was renewed on 30 November 2016 with the facility limit extended to \$370,000 and the term extended to 30 November 2021. The loan remains interest only until the expiration of the agreement. This loan originally commenced on 28 November 2010 and has been consistently renewed with various terms and options since the original commencement date. The unused facility as at balance date was \$160,000.

Note 16. Non-current liabilities - employee benefits

	2016	2015
	\$	\$
Long service leave	-	4,929
	<u>-</u>	<u>4,929</u>

Wangi Wangi RSL Sub-Branch Club Limited
Notes to the financial statements
31 December 2016

Note 17. Equity - retained surpluses

	2016	2015
	\$	\$
Retained surpluses at the beginning of the financial year	217,508	177,848
Surplus after income tax expense for the year	<u>52,231</u>	<u>39,660</u>
Retained surpluses at the end of the financial year	<u><u>269,739</u></u>	<u><u>217,508</u></u>

Note 18. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Club is set out below:

	2016	2015
	\$	\$
Aggregate compensation	<u><u>78,781</u></u>	<u><u>117,845</u></u>

Note 19. Contingent liabilities

The Club has a contingent liability in respect of those members who qualify for a payment of \$100 in the event of their death. The number of eligible members at balance date is 51 (2015: 72).

	2016	2015
	\$	\$
Mortality fund	<u><u>5,100</u></u>	<u><u>7,200</u></u>

Note 20. Commitments

	2016	2015
	\$	\$
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	64,148	8,736
One to five years	<u>210,749</u>	<u>19,022</u>
	<u><u>274,897</u></u>	<u><u>27,758</u></u>

Operating lease commitments includes contracted amounts for the club building and various plant and equipment under non-cancellable operating leases expiring within one to five years with, in some cases, options to extend. On renewal, the terms of the leases are renegotiated.

Note 21. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 18.

Wangi Wangi RSL Sub-Branch Club Limited
Notes to the financial statements
31 December 2016

Note 21. Related party transactions (continued)

Transactions with related parties

The Club's main related parties are as follows:

- Directors

The names of the persons who were directors of the Club at any time during the year are as they appear in the attached Director's Report.

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

Receivable from and payable to related parties

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

Loans to/from related parties

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

Note 22. Members' guarantee

The Club is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$6 each towards meeting any outstanding debts and obligations of the company. At 31 December 2016, total members were 2,591 (2015: 2,416).

Note 23. Events after the reporting period

No matter or circumstance has arisen since 31 December 2016 that has significantly affected, or may significantly affect the Club's operations, the results of those operations, or the Club's state of affairs in future financial years.

Wangi Wangi RSL Sub-Branch Club Limited
Directors' declaration
31 December 2016

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Club's financial position as at 31 December 2016 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



John Cizzio
Director



Ray Robinson
Director

7 February 2017