Wangi Wangi RSL Sub-Branch Club Limited

ABN 20 001 020 784

Annual Report - 31 December 2017

Wangi Wangi RSL Sub-Branch Club Limited
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Wangi Wangi RSL Sub-Branch Club Limited
Directors' report
31 December 2017

The directors present their report, together with the financial statements, on the Company for the year ended 31 December 2017.

Directors
The following persons were directors of the Wangi Wangi RSL Sub-Branch Club Limited ("the Club") during the whole of the financial year and up to the date of this report, unless otherwise stated:

John Cizzio
John Wethered
Ross Ahrens
George Dann
Les McAllister
Sally Mishell
Ray Robinson (resigned November 2017)
Douglas Messenger (stood down June 2017, re-joined December 2017)
Robert Clarkson (appointed February 2018)
Wayne Izzard (appointed January 2018)

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;
- Update the Constitution and confirm the objectives of the Club; and
- Update, within our financial resources, the Club's bar, Children's play area, outdoor function area implement a replacement plan for aging furniture in outdoor area.

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.

Changes in the state of affairs
The Club changed from contract caterers to inhouse operations in January 2018.

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

Operating results
The loss of the Club after providing for income tax amounted to $51,067 (2016: surplus $52,231).

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.

Future developments
The Board has relinquished the lease for the Jetty in favour of Lake Macquarie City Council with the Council obtaining funds to replace the structure. The project is scheduled for completion in the 2019 calendar year. The Board continues its capital expenditure program to improve the facilities available at the Club albeit at a slower pace as cashflows were seriously impacted by the Club's poor performance in 2017 and monies are still outstanding from the Poker Machine investment program of 2016/2017.

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:	Director
Qualifications:	Landscaper
Experience and expertise:	4 years
Name:	John Wethered
Title:	Director
Qualifications:	Manager
Experience and expertise:	Appointed March 2017
Name:	Ross Ahrens
Title:	Treasurer
Qualifications:	Retired
Experience and expertise:	2 years
Name:	George Dann
Title:	Director
Qualifications:	Volunteer
Experience and expertise:	5 years
Name:	Les McAllister
Title:	President
Qualifications:	Retired
Experience and expertise:	2 years
Name:	Sally Mishell
Title:	Director
Qualifications:	Retired
Experience and expertise:	3 years
Name:	Rob Clarkson
Title:	Director
Qualifications:	Mine Deputy
Experience and expertise:	Appointed February 2018
Name:	Douglas Messenger
Title:	Director
Qualifications:	Company Director
Experience and expertise:	2 years
Name:	Wayne Izzard
Title:	Director
Qualifications:	Butcher
Experience and expertise:	Appointed January 2018
Name:	Ray Robinson (resigned November 2017)
Title:	Director
Qualifications:	Retired
Experience and expertise:	3 years

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

Ross Ahrens was Treasurer/ acting Secretary as the Club was in transition process for a new Secretary.

Wangi Wangi RSL Sub-Branch Club Limited
Directors' report
31 December 2017

Meetings of directors
The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 31 December 2017, and the number of meetings attended by each director were:

	Attended	Held
John Cizzio	4	9
Noel Butler	1	2
Ross Ahrens	8	9
George Dann	8	9
Les McAllister	7	9
Sally Mishell	6	9
Ray Robinson (resigned November 2017)	8	9
Douglas Messenger (stood down June 2017, rejoined December 2017)	6	6
John Wethered	7	7

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

There were 9 meetings of directors held during the year ended 31 December 2017.

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 $16,188, based on 2,698 current ordinary members (2016: $15,546).

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

Les McAllister
Director

Ross Ahrens
Director

12 April 2018

Unit 1, 1 Pioneer Avenue
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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 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	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	12 April 2018

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

Audit Opinion

We have audited the accompanying financial report of Wangi Wangi RSL Sub-Branch Club Limited ("the Company") which comprises the statement of financial position as at 31 December 2017, 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 of the Company.

In our opinion 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 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 (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

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 Statements* section of our report. We are independent of the Company in accordance with the Corporations Act 2001 and 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; and 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 of our opinion.

Directors' Responsibilities for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company'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 Company 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 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 Company'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 Company'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 Company 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	12 April 2018

Wangi Wangi RSL Sub-Branch Club Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2017

	Note	2017 $	2016 $
Revenue	4	1,724,505	1,683,065
Other income	5	816	12,042
Expenses			
Cost of goods sold		(360,006)	(361,525)
Accounting and audit fees		(17,400)	(8,376)
Advertising and marketing expenses		(8,129)	(10,481)
Employee benefits expense		(473,612)	(422,426)
Equipment lease expenses		(6,674)	(6,506)
Depreciation and amortisation expense		(108,821)	(91,408)
Entertainment and promotions expenses		(147,741)	(132,035)
Legal fees		(3,876)	(2,177)
Gaming expenses		(32,458)	(24,690)
Insurance expenses		(39,965)	(43,066)
Loss on disposal of assets		(35,942)	(31,461)
Occupancy expenses		(234,278)	(209,930)
Printing, postage and stationery expenses		(17,054)	(14,124)
Repairs and maintenance expenses		(60,278)	(67,509)
Raffle and bingo expenses		(139,214)	(138,134)
Telephone, internet and computer expenses		(25,104)	(27,530)
Other expenses		(40,261)	(31,527)
Finance costs		(25,575)	(19,971)
Surplus/(deficit) before income tax expense		(51,067)	52,231
Income tax expense		-	-
Surplus/(deficit) after income tax expense for the year	15	(51,067)	52,231
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(51,067)	52,231

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 2017

	Note	2017 $	2016 $
Assets			
Current assets			
Cash and cash equivalents	6	251,943	235,853
Trade and other receivables	7	3,295	3,129
Inventories	8	24,373	21,017
Other	9	25,886	31,009
Total current assets		305,497	291,008
Non-current assets			
Property, plant and equipment	10	597,414	590,724
Total non-current assets		597,414	590,724
Total assets		902,911	881,732
Liabilities			
Current liabilities			
Trade and other payables	11	135,470	195,125
Borrowings	12	120,377	112,833
Employee benefits	13	-	10,871
Total current liabilities		255,847	318,829
Non-current liabilities			
Borrowings	14	428,392	293,164
Total non-current liabilities		428,392	293,164
Total liabilities		684,239	611,993
Net assets		218,672	269,739
Equity			
Retained surpluses	15	218,672	269,739
Total equity		218,672	269,739

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 2017

	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	-	-
Total comprehensive income for the year	52,231	52,231
Balance at 31 December 2016	269,739	269,739

	Retained surpluses $	Total equity $
Balance at 1 January 2017	269,739	269,739
Deficit after income tax expense for the year	(51,067)	(51,067)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(51,067)	(51,067)
Balance at 31 December 2017	218,672	218,672

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 2017

	Note	2017 $	2016 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,889,892	1,849,282
Payments to suppliers and employees (inclusive of GST)		(1,840,362)	(1,620,992)
		49,530	228,290
Interest received		816	407
Insurance recoveries		-	11,635
Interest and other finance costs paid		(25,575)	(19,971)
Net cash from operating activities		24,771	220,361
Cash flows from investing activities			
Payments for property, plant and equipment	10	(151,453)	(74,748)
Net cash used in investing activities		(151,453)	(74,748)
Cash flows from financing activities			
Proceeds from borrowings		271,672	-
Repayment of borrowings		(128,900)	(111,264)
Net cash from/(used in) financing activities		142,772	(111,264)
Net increase in cash and cash equivalents		16,090	34,349
Cash and cash equivalents at the beginning of the financial year		235,853	201,504
Cash and cash equivalents at the end of the financial year	6	251,943	235,853

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

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 12 April 2018. 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 Company 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 Company'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.

Revenue recognition

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

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.

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.

Note 2. Significant accounting policies (continued)

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.

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 Company'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 Company'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.

Note 2. Significant accounting policies (continued)

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 Company 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.

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 held at cost.

Property, plant and equipment 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.

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 Company. 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 Company 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.

Note 2. Significant accounting policies (continued)

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.

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.

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 Company 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 Company 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 Company 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.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Income tax
The Company 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 Company recognises liabilities for anticipated tax audit issues based on the Company'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 Company 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.

Note 4. Revenue

	2017 $	2016 $
Bar sales	873,759	851,707
Poker machine net clearances	554,792	575,622
Gaming commissions	40,620	42,575
Raffles revenue	125,357	121,807
Membership subscriptions	12,658	12,201
Poker machine duty rebate	24,339	17,180
Commissions received	14,339	11,959
Rent received	23,636	15,317
Other revenue	55,005	34,697
Revenue	1,724,505	1,683,065

Note 5. Other income

	2017 $	2016 $
Insurance recoveries	-	11,635
Interest received	816	407
Other income	816	12,042

Note 6. Current assets - cash and cash equivalents

	2017 $	2016 $
Cash on hand and at bank	251,943	235,853

Note 7. Current assets - trade and other receivables

	2017 $	2016 $
Trade receivables	3,295	3,129

Note 8. Current assets - inventories

	2017 $	2016 $
Stock on hand - at cost	24,373	21,017

Note 9. Current assets - other

	2017 $	2016 $
Prepayments	20,886	26,009
Security deposits	5,000	5,000
	25,886	31,009

Note 10. Non-current assets - property, plant and equipment

	2017 $	2016 $
Land - at cost	88,952	88,952
Leasehold improvements - at cost	819,227	810,741
Less: Accumulated depreciation	(684,055)	(664,555)
	135,172	146,186
Plant and equipment - at cost	731,336	1,007,590
Less: Accumulated depreciation	(373,966)	(672,663)
	357,370	334,927
Motor vehicles - at cost	17,755	14,545
Less: Accumulated depreciation	(5,835)	(72)
	11,920	14,473
Capital work in progress - at cost	4,000	6,186
	597,414	590,724

Note 10. Non-current assets - property, plant and equipment (continued)

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

	Land $	Leasehold Improvements $	Plant and Equipment $	Motor Vehicles $	Capital Work in Progress $	Total $
Balance at 1 January 2017	88,952	146,186	334,927	14,473	6,186	590,724
Additions	-	17,854	126,389	3,210	4,000	151,453
Disposals	-	-	(29,756)	-	(6,186)	(35,942)
Depreciation expense	-	(28,868)	(74,190)	(5,763)	-	(108,821)
Balance at 31 December 2017	88,952	135,172	357,370	11,920	4,000	597,414

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 well 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 at 15 November 2016.

Note 11. Current liabilities - trade and other payables

	2017 $	2016 $
Trade payables	54,884	84,928
Rebate in advance	-	7,159
Income in advance	16,744	17,149
BAS payable	22,807	23,866
Other payables	41,035	62,023
	135,470	195,125

Note 12. Current liabilities - borrowings

	2017 $	2016 $
Loan - Premium Funding Insurance	10,968	13,117
Unexpired rent contribution	883	24,520
Hire purchase	108,526	75,196
	120,377	112,833

Note 13. Current liabilities - employee benefits

	2017 $	2016 $
Annual leave	-	9,946
Sick leave	-	925
	-	10,871

Note 14. Non-current liabilities - borrowings

	2017 $	2016 $
Loan - South Lake Macquarie RSL Sub-Branch	370,000	210,000
Hire purchase	58,392	83,164
	428,392	293,164

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

	2017 $	2016 $
Loan - South Lake Macquarie RSL Sub-Branch	370,000	210,000
Hire purchase	166,918	158,360
	536,918	368,360

The loan from South Lake Macquarie RSL Sub-Branch is secured by first mortgages over the whole of the land comprised in Folios Identifier 116/8840 and 117/8840 being the Club carpark, Watkins Road, Wangi Wangi. 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.

Note 15. Equity - retained surpluses

	2017 $	2016 $
Retained surpluses at the beginning of the financial year	269,739	217,508
Surplus/(deficit) after income tax expense for the year	(51,067)	52,231
Retained surpluses at the end of the financial year	218,672	269,739

Note 16. Key management personnel disclosures

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

	2017 $	2016 $
Aggregate compensation	102,988	78,781

Note 17. 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 (2016: 51).

	2017 $	2016 $
Mortality fund	5,100	5,100

Note 18. Commitments

	2017 $	2016 $
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	64,148	64,148
One to five years	174,100	210,749
	238,248	274,897

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 19. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 16.

Transactions with related parties
The following transactions occurred with related parties:

	2017 $	2016 $
Payment for goods and services:		
Directors' training	2,095	208

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 19. Related party transactions (continued)

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 20. Members' guarantee

The Club is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is would up, the constitution states that each member is requires to contribute a maximum of $6 each towards meeting any outstanding debts and obligations of the company. At 31 December 2017, total members were 2,698 (2016: 2,591).

Note 21. Events after the reporting period

No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Wangi Wangi RSL Sub-Branch Club Limited
Directors' declaration
31 December 2017

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 Company's financial position as at 31 December 2017 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company 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

Les McAllister
Director

Ross Ahrens
Director

12 April 2018