

KINGSGROVE RSL CLUB LIMITED
ABN 32 000 463 196

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2015

**Liability limited by a scheme approved under
Professional Standards Legislation**

KINGSGROVE RSL CLUB LIMITED
ABN 32 000 463 196

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KINGSGROVE RSL CLUB LIMITED
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DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31 December 2015.

Information of Directors

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

Mr Alan Barnes
Mr Barry Willoughby
Ms Heather Shepherd
Mr Tas Aronis
Mr Wes Hema
Mr Bruce Geerin
Mr John Graham
Mr John (Sean) Mahony

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

	Monthly Meetings Attended (12 Total)	Special Meetings Attended (5 Total)
Mr Alan Barnes	12	5
Mr Barry Willoughby	11	4
Ms Heather Shepherd	11	5
Mr Tas Aronis	11	5
Mr Wes Hema	11	4
Mr Bruce Geerin	12	4
Mr John Graham	9	4
Mr John (Sean) Mahony	11	4

Alan Barnes J.P President

Retired Administration/Finance Manager, President of Kingsgrove RSL Sub Branch, Member of Kingsgrove RSL for 34 years. Board Member for 18 years, Life Member of Kingsgrove RSL Club and Life Member of Kingsgrove RSL Sub Branch.

Barry Willoughby J.P Senior Vice President

Retired Engineer, Vice President of Kingsgrove RSL Sub Branch, Member of Kingsgrove RSL for 18 years, Board Member for 12 years, Life Member of Kingsgrove RSL Club and Sports Administrator for 7 years.

Heather Shepherd Vice President

Administrator NSW Health, Member of Kingsgrove RSL for 15 years, Board Member for 7 years.

Tas Aronis J.P Director

Location Manager for Guardian Funerals, Member of Kingsgrove RSL for 6 years, Board Member for 2 years.

Wes Hema Director

Site Foreman, Member of Kingsgrove RSL Club for 9 years. Member of Kingsgrove RSL Sub Branch, Board Member for 2 years.

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DIRECTORS' REPORT

Bruce Geerin Director

Retired Postal Worker, Chairman of Kingsgrove RSL Club Community Group for 9 years, Member of Kingsgrove RSL for 45 years, Board Member for 13 years.

John Graham J.P Director

Retired Security Manager, Secretary of Kingsgrove RSL Sub Branch, Member of Kingsgrove RSL for 16 years, Board Member for 7 years.

John (Sean) Mahony Director

Retired Manager and Consultant in the Motor Trade, Member of Kingsgrove RSL for 24 years, Board Member for 6 years.

Mission Statement

Kingsgrove RSL Club Ltd provides hospitality and entertainment in a safe and friendly environment. Our goal is to provide quality products and services to a high standard with a commitment of continual improvement. We are dedicated to serving our patrons whilst upholding the ideals of the RSL movement. Wherever possible, the Club will sponsor sporting groups and provide funding to schools, hospitals and the community in general.

Membership

Full Club Members	7,154
Associate Members	25
Life Members	4
Total	7,183

Operating Results

The profit of the company after providing for income tax amounted to \$1,144,401.

Review of Operations

Key Performance Indicators (KPI's)	2015	2014
Bar Gross Profit percentage	61.05%	59.34%
EBITDA percentage of total revenue	24.16%	19.96%
Total Revenue	\$9,139,082	\$7,772,430
Wages costs as a percentage of total revenue	22.82%	25.52%
Net Profit before income tax	\$1,454,588	\$760,684

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Company during the financial year.

Principal Activities

The principal activities of the company during the financial year were that of a licenced club conducted for members and their guests.

No significant change in the nature of the company's activity occurred during the financial year.

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DIRECTORS' REPORT

Events After the Reporting Date

On 15th December 2015 Kingsgrove RSL Club signed a contract with Boden Projects for renovations valued at \$3,900,000.

Kingsgrove RSL Club is currently in negotiations with National Australia Bank for loan facilities to the value of \$5,000,000.

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

Future Developments and Results

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory of Australia.

Indemnification and Insurance of Officers and Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Auditors' Independence Declaration

The lead auditors' independence declaration in accordance with section 307C of the Corporations Act 2001, and is set out on page 4.

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

Director:


Mr Alan Barnes

Dated this 15th day of February 2016



**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
KINGSGROVE RSL CLUB LIMITED**

We declare that, to the best of our knowledge and belief, during the year ended 31 December 2015 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: Vidal O'Brien & Co
Chartered Accountants

Name of Partner:


Geoffrey Smith

Address: Suite 703, 37 Pitt St Sydney NSW 2000

Dated this 15th day of February 2016

Partners

**Graeme Dowsett FCA
Geoffrey Smith FCA**

KINGSGROVE RSL CLUB LIMITED
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
Income			
Revenue	3	9,139,082	7,772,430
Changes in inventories of finished goods and work in progress		3,712	1,357
Raw materials and consumables used		(459,469)	(403,333)
Expenditure			
Advertising expenses		(32,421)	(38,190)
Depreciation and amortisation expenses		(671,557)	(634,556)
Employee benefits expenses		(2,086,511)	(1,983,501)
Finance costs	4	(82,226)	(156,032)
Other expenses		(4,356,022)	(3,797,491)
		<u>1,454,588</u>	<u>760,684</u>
Profit before income tax		1,454,588	760,684
Income tax expense	5	(250,200)	(56,727)
Profit for the year		1,204,388	703,957
Other comprehensive income			
Loss on Disposal of Property, Plant & Equipment		(59,987)	-
Total comprehensive income for the year		1,144,401	703,957

The accompanying notes form part of these financial statements.

KINGSGROVE RSL CLUB LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,442,339	635,442
Trade and other receivables	7	42,202	36,907
Inventories	8	53,736	50,024
Other current assets	9	94,052	89,993
TOTAL CURRENT ASSETS		<u>1,632,329</u>	<u>812,366</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	15,234,090	15,611,869
Tax assets	11	99,739	93,547
Other non-current assets	9	-	2,925
TOTAL NON-CURRENT ASSETS		<u>15,333,829</u>	<u>15,708,341</u>
TOTAL ASSETS		<u>16,966,158</u>	<u>16,520,707</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	12	650,710	572,750
Borrowings	13	320,831	333,349
Provisions	14	187,033	192,008
Tax liabilities	11	240,374	78,807
TOTAL CURRENT LIABILITIES		<u>1,398,948</u>	<u>1,176,914</u>
NON-CURRENT LIABILITIES			
Borrowings	13	276,283	1,255,546
Provisions	14	184,657	154,085
Tax liabilities	11	189,095	161,388
TOTAL NON-CURRENT LIABILITIES		<u>650,035</u>	<u>1,571,019</u>
TOTAL LIABILITIES		<u>2,048,983</u>	<u>2,747,933</u>
NET ASSETS		<u>14,917,175</u>	<u>13,772,774</u>
EQUITY			
Reserves	15	2,928,078	3,466,228
Retained earnings	16	11,989,097	10,306,546
TOTAL EQUITY		<u>14,917,175</u>	<u>13,772,774</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Retained earnings	Total
		\$	\$
Balance at 1 January 2014		9,602,589	9,602,589
Profit attributable to equity shareholders		703,957	703,957
Balance at 31 December 2014		<u>10,306,546</u>	<u>10,306,546</u>
Asset Revaluation Reserve – Shoalhaven		538,150	538,150
Profit attributable to equity shareholders		1,204,388	1,204,388
Loss on Disposal – Property, Plant & Equipment		(59,987)	(59,987)
Balance at 31 December 2015		<u>11,989,097</u>	<u>11,989,097</u>

The accompanying notes form part of these financial statements.

KINGSGROVE RSL CLUB LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	9,125,424	7,753,795
Payments to suppliers and employees	(6,964,668)	(6,273,589)
Interest received	13,658	18,635
Borrowing costs paid	(82,226)	(156,032)
Net cash provided by operating activities	17 <u>2,092,188</u>	<u>1,342,809</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	707,059	103,803
Payments for property, plant and equipment	(1,000,569)	(796,024)
Net cash provided by (used in) investing activities	<u>(293,510)</u>	<u>(692,221)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	409,069	340,472
Repayment of borrowings	(1,400,850)	(1,292,010)
Net cash provided by (used in) financing activities	<u>(991,781)</u>	<u>(951,538)</u>
Net increase (decrease) in cash held	806,897	(300,950)
Cash at beginning of financial year	635,442	936,392
Cash at end of financial year	6 <u>1,442,339</u>	<u>635,442</u>

The accompanying notes form part of these financial statements.

KINGSGROVE RSL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

The financial reports cover Kingsgrove RSL Club Limited as an individual entity. Kingsgrove RSL Club Limited is a for profit proprietary company incorporated and domiciled in Australia.

The functional and presentation currency of Kingsgrove RSL Club Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 15/02/2016.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

These financial statements and associated notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

Income Tax

Under present legislation, income derived by the company from members is not assessable to income tax. Income tax liabilities arise in respect of income derived from non-members and investments less certain allowable deductions. Commission income is now assessable in full and not subject to the member/non-member principle.

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of reporting year. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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

Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

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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 and 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.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where:

- (a) a legally enforceable right of set-off exists; and
- (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Property, Plant and Equipment

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

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

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NOTES TO THE FINANCIAL STATEMENTS
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Depreciation

Property, plant and equipment, is depreciated on a straight line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight line method from the date that management determine that the asset is available for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed Asset Class	Depreciation Rate
Buildings	2.00%
Plant and Equipment	3.75 - 40.00%
Leased Plant and Equipment	10.00 - 30.00%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the life of the lease term.

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Impairment of Non-Financial Assets

At the end of each reporting period the company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

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Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting year. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of other comprehensive income.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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NOTES TO THE FINANCIAL STATEMENTS
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Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Rental income

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Rendering of services

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

Other income

Other income is recognised on an accruals basis when the company is entitled to it.

Trade and Other Payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

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Borrowing Costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Goods and Services Tax (GST)

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

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

Cash flows in the statement of cash flows are included on a gross basis and the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

The directors make estimates and judgments during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - Impairment - general

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

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NOTES TO THE FINANCIAL STATEMENTS
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	2015	2014
	\$	\$
3 Revenue and Other Income		
Revenue		
Poker Machines-Net Clearances	7,363,091	5,665,663
Bar Sales	991,366	916,359
Cafe Sales	151,489	110,329
	<u>8,505,946</u>	<u>7,198,654</u>
Other revenue:		
Interest received	13,658	18,635
Other revenue	619,478	555,141
	<u>633,136</u>	<u>573,776</u>
Total revenue	<u>9,139,082</u>	<u>7,772,430</u>
Interest revenue from:		
Interest Received	<u>13,658</u>	<u>18,635</u>
Total interest revenue on financial assets not at fair value through profit or loss	<u>13,658</u>	<u>18,635</u>
Other revenue from:		
Membership Subscriptions	20,830	19,439
Profit on sale of Fixed Asset	267	-
Commissions - Keno & TAB	114,056	92,877
Entertainment & Promotions	160,334	160,657
Rents Received	90,296	102,734
Functions Income	82,407	72,640
Other Income	151,288	106,794
Total other revenue	<u>619,478</u>	<u>555,141</u>
4 Profit for the year		
Profit before income tax from continuing operations includes the following specific expenses:		
Expenses		
Cost of sales	455,757	401,976

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
Interest Expenses	79,301	152,132
Borrowing Expenses	2,925	3,900
Total finance costs	<u>82,226</u>	<u>156,032</u>
Employee benefits expense:		
contributions to defined contribution superannuation funds	164,046	154,590
Depreciation of property, plant and equipment	671,557	634,556
5 Income Tax Expense		
The components of tax expense comprise:		
Income Tax Expense	250,200	68,770
Overprovision of Income Tax Expense	<u>-</u>	<u>(12,043)</u>
	<u>250,200</u>	<u>56,727</u>
6 Cash and Cash Equivalents		
Cash in Hand	295,000	205,000
Cash at Bank	392,339	124,005
Interest Bearing Deposits	750,000	300,000
Deposits Paid	5,000	6,437
	<u>1,442,339</u>	<u>635,442</u>
Reconciliation of cash		
Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Cash and cash equivalents	1,442,339	635,442
	<u>1,442,339</u>	<u>635,442</u>
7 Trade and Other Receivables		
Current		
Other Debtors	<u>42,202</u>	<u>36,907</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
8 Inventories		
Current		
At cost:		
Stock on Hand - at Cost	<u>53,736</u>	<u>50,024</u>
9 Other Non-Financial Assets		
Current		
Prepayments	<u>94,052</u>	<u>89,993</u>
Non-Current		
Borrowing Costs	<u>-</u>	<u>2,925</u>
10 Property, Plant and Equipment		
Land and Buildings		
Land-at Valuation	5,790,000	6,486,150
Buildings at Valuation	6,429,302	6,188,108
Less accumulated depreciation	<u>(233,920)</u>	<u>(115,493)</u>
	6,195,382	6,072,615
Total Land and Buildings	<u>11,985,382</u>	<u>12,558,765</u>
Plant & Equipment - at Cost	646,858	1,081,013
Less accumulated depreciation	<u>(207,479)</u>	<u>(682,699)</u>
	439,379	398,314
Motor Vehicles - at Cost	35,768	-
Less accumulated depreciation	<u>(3,785)</u>	<u>-</u>
	31,983	-
Furniture & Fittings - at Cost	1,835,546	1,834,820
Less accumulated depreciation	<u>(1,480,101)</u>	<u>(1,308,428)</u>
	355,445	526,392
Poker Machine - at Cost	4,524,155	4,011,884
Less accumulated depreciation	<u>(2,102,254)</u>	<u>(1,883,486)</u>
	2,421,901	2,128,398
Total Plant and Equipment	<u>3,248,708</u>	<u>3,053,104</u>
Total Property, Plant and Equipment	<u>15,234,090</u>	<u>15,611,869</u>

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NOTES TO THE FINANCIAL STATEMENTS
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	2015	2014	2015	2014	
	\$	\$	\$	\$	
Movements in Carrying Amounts of Property, Plant and Equipment					
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.					
	Freehold Land	Buildings	Plant and Equipment	Leased Plant and Equipment	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2014	6,486,150	6,265,000	806,861	2,066,424	15,624,435
Additions	-	48,843	333,482	397,700	780,025
Disposals	-	-	(60,860)	28,560	(32,300)
Impairment losses	-	(125,735)	-	-	(125,735)
Depreciation expense	-	(115,493)	(154,777)	(364,266)	(634,556)
Balance at 31 December 2014	6,486,150	6,072,615	924,706	2,128,398	15,611,869
Additions	-	241,193	327,000	432,376	1,000,569
Profit on sale of assets	-	-	(79,626)	79,893	267
Disposals	(696,150)	-	(10,909)	-	(707,059)
Depreciation expense	-	(118,427)	(334,362)	(218,768)	(671,557)
Carrying amount at 31 December 2015	5,790,000	6,195,381	826,809	2,421,900	15,234,090

11 Tax

Liabilities

Current

Provision for Income Tax		240,374	78,807
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Non-current

Provision for Deferred Income Tax		189,095	161,388
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Assets

Future Income Tax Benefits		99,739	93,547
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KINGSGROVE RSL CLUB LIMITED
ABN 32 000 463 196

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
12 Trade and Other Payables		
Current		
Trade Creditors	246,560	310,235
Other Creditors	404,150	262,515
	650,710	572,750
All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value		
13 Borrowings		
Current		
Hire Purchase Instalments Within 12 months	320,831	333,349
Non-Current		
Hire Purchase Creditors	275,283	255,546
Bank Loan Secured	1,000	1,000,000
Total non-current borrowings	276,283	1,255,546
Total borrowings	597,114	1,588,895
14 Provisions		
Provision for Long Service Leave	184,657	154,085
Provision for Donations	27,772	22,817
Provision for Poker Machine GST Rebate	11,454	11,453
Provision for Annual Leave and Sick Leave	147,807	157,738
Total provisions	371,690	346,093

KINGSGROVE RSL CLUB LIMITED
ABN 32 000 463 196

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
Analysis of Total Provisions		
Current	187,033	192,008
Non-current	184,657	154,085
	<u>371,690</u>	<u>346,093</u>
15 Reserves		
Asset Revaluation Reserve		
The asset revaluation reserve records revaluations of non-current assets.		
16 Retained Earnings		
Retained earnings at the beginning of the financial year	10,844,696	9,602,589
Net profit attributable to members of the company	1,204,388	703,957
Loss on Disposal – Property, Plant & Equipment	(59,987)	-
Retained earnings at the end of the financial year	<u>11,989,097</u>	<u>10,306,546</u>
17 Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax	1,144,401	703,957
Non-cash flows in profit		
Net profit of disposal of property, plant and equipment	59,720	4,129
Depreciation and amortisation of property, plant and equipment	671,557	634,556
Overprovision for income tax	-	(12,042)
Increase/(Decrease) in Income Tax Payable	123,094	-
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
(Increase)/decrease in Trade and other receivables	(5,295)	2,094
(Increase)/decrease in Other current assets	(4,059)	(43,012)
(Increase)/decrease in Inventories	(3,712)	(1,357)
(Increase)/decrease in Other non-current assets	2,925	3,900
(Decrease)/Increase in Trade and other payables	77,960	48,198
(Decrease)/Increase in Provisions	25,597	2,387
	<u>2,092,188</u>	<u>1,342,809</u>

KINGSGROVE RSL CLUB LIMITED
ABN 32 000 463 196

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
18 Company Details		
The registered office of the company is:		
Kingsgrove RSL Club Limited		
4 Brocklehurst Lane Kingsgrove NSW 2208		
The principal place of business is:		
4 Brocklehurst Lane Kingsgrove NSW 2208		
19 Registered Clubs Act 1976		
Section 41J(2): The Property of the Club consists of:		
Core Property		
4-10 Brocklehurst Lane, Kingsgrove NSW: Club Premises and multi-level car park.		
3-5 Aspinall Street, Shoalhaven Heads NSW: Holiday Units.		
Non-Core Property		
7 Aspinall Street, Shoalhaven Heads NSW: Rental Property		

KINGSGROVE RSL CLUB LIMITED
ABN 32 000 463 196

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 22, for the year ended 31 December 2015 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - (b) give a true and fair view of the financial position and performance of the company.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director:


Mr Alan Barnes

Dated this 15th day of February 2016



VIDAL O'BRIEN & CO.

ABN: 20 481 619 958

Suite 703 37 Pitt Street Sydney NSW 2000

✉ PO Box R1046 Royal Exchange NSW 1225 Australia

T 61 2 9241 2111

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secretary@vidalobrien.com.au

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KINGSGROVE RSL CLUB LIMITED
ABN 32 000 463 196**



Chartered
Accountants

Report on the Financial Report

We have audited the accompanying financial report of Kingsgrove RSL Club Limited which comprises the statement of financial position as at 31 December 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditors' Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditors' judgment, 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 of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

Partners

**Graeme Dowsett FCA
Geoffrey Smith FCA**

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Liability limited by a scheme approved under Professional Standards Legislation



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KINGSGROVE RSL CLUB LIMITED
ABN 32 000 463 196**

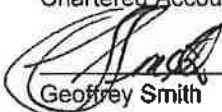
Auditors' Opinion

In our opinion:

- (a) the financial report of Kingsgrove RSL 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 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Name of Firm: Vidal O'Brien & Co
Chartered Accountants

Name of Partner:


Geoffrey Smith

Address: Suite 703, 37 Pitt St Sydney NSW 2000

Dated this 15th day of February 2016

Partners

**Graeme Dowsett FCA
Geoffrey Smith FCA**