

**KINGSGROVE RSL CLUB LIMITED**  
**ABN 32 000 463 196**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2016**

**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**  
**ABN 32 000 463 196**

**DIRECTORS' REPORT**

Your directors present their report on the company for the financial year ended 31 December 2016.

**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 (Deceased 13<sup>th</sup> September 2016)  
Ms Heather Shepherd  
Mr Tas Aronis  
Mr Wes Hema  
Mr Bruce Geerin  
Mr John Graham (Appointed Senior Vice President 22<sup>nd</sup> November 2016)  
Mr John (Sean) Mahony (Resigned 22<sup>nd</sup> March 2016)  
Ms Louise Pettit (Appointed 22<sup>nd</sup> March 2016)

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 (2 Total)
Mr Alan Barnes	12	2
Mr John Graham	10	2
Ms Heather Shepherd	12	2
Mr Tas Aronis	12	2
Mr Wes Hema	9	1
Mr Bruce Geerin	12	2
Ms Louise Pettit	9	0
Mr Barry Willoughby	9	2
Mr John (Sean) Mahony	3	1

**Alan Barnes J.P President**

Retired Administration/Finance Manager, President of Kingsgrove RSL Sub Branch, Member of Kingsgrove RSL Club for 35 years. Board Member for 19 years, Life Member of Kingsgrove RSL Club and Kingsgrove RSL Sub Branch.

**John Graham J.P Director Senior Vice President (Appointed 22nd November 2016)**

Retired Security Manager, Secretary of Kingsgrove RSL Sub Branch, Member of Kingsgrove RSL Club for 17 years, Board Member for 8 years.

**Heather Shepherd Vice President**

Clinical Administration Support NSW Health, Member of Kingsgrove RSL Club for 17 years, Board Member for 8 years.

**Tas Aronis J.P Director**

Location Manager for Guardian Funerals, Member of Kingsgrove RSL Club for 7 years, Board Member for 3 years.

**Wes Hema Director**

Site Foreman, Member of Kingsgrove RSL Club for 10 years. Member for Kingsgrove RSL Sub Branch, Board Member for 3 years.

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**DIRECTORS' REPORT**

**Bruce Geerin Director**

Retired Postal Worker, Chairman of Kingsgrove RSL Club Community Group for 10 years, Member of Kingsgrove RSL Club for 46 years, Board Member for 14 years. Life Member of Kingsgrove RSL Club.

**Louise Pettit**

NSW Health Administration, Member of Kingsgrove RSL Club for 20 years. Board Member for 1 year.

**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.

<b>Membership</b>	<b>2016</b>
Full club members	7,096
Associate Club Members	47
Life members	3
Total	7,146

**Operating Results**

The profit of the company after providing for income tax amounted to \$1,092,754.

**Review of Operations**

A review of the operations of the company during the financial year and the results of those operations are as follows:

A review of the operations for the Club during the calendar year and the results of the operations found that changes in market demand have seen an increase in revenue of 5% to \$9,610,480, however expenses increased by 7% to \$4,656,564. Many of these expenses were associated with the Club renovations that were ongoing for 10 months of the year and resulted in the closure of one third of the Club for the duration of the renovations. Also due to the renovations, the Club incurred increased financial expenses and losses on disposal of assets that affected the final net profit.

**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.

**Events After the Reporting Date**

No 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.

**KINGSGROVE RSL CLUB LIMITED**  
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**DIRECTORS' REPORT**

**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.

<b>Key Performance Indicators</b>	<b>2016</b>	<b>2015</b>
Bar Gross Profit percentage	60.08%	61.05%
EBITDA percentage of total revenue	22.42%	24.16%
Total Revenue	\$9,610,480	\$9,139,082
Wage Cost as a percentage of total revenue	23.64%	22.82%
Net Profit before Income Tax	\$1,218,533	\$1,394,601

**Auditors' Independence Declaration**

The lead auditors' independence declaration in accordance with section 307C of the Corporations Act 2001, for the Year ended 31 December 2016 has been received and is set out on page 4.

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

Director:   
Mr Alan Barnes

**Dated this 14th day of February 2017**



VIDAL O'BRIEN & CO.  
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Chartered  
Accountants

**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 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:** Vidal O'Brien & Co  
Chartered Accountants

**Name of Partner:**

Geoffrey Smith

**Address:** Suite 703, 37 Pitt St Sydney NSW 2000

**Dated this 14th day of February 2017**

**Partners**

**Graeme Dowsett FCA  
Geoffrey Smith FCA**

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**KINGSGROVE RSL CLUB LIMITED**  
**ABN 32 000 463 196**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
<b>Income</b>			
Revenue	3	9,610,480	9,139,082
Changes in inventories of finished goods and work in progress		(438)	3,712
Raw materials and consumables used		(494,755)	(459,469)
<b>Expenditure</b>			
Advertising expenses		(32,336)	(32,421)
Commissions paid		(220)	-
Depreciation and amortisation expenses		(799,187)	(671,557)
Employee benefits expenses		(2,271,907)	(2,086,511)
Finance costs	4	(136,540)	(82,226)
Other expenses		(4,656,564)	(4,416,009)
<b>Profit before income tax</b>	4	<u>1,218,533</u>	<u>1,394,601</u>
Income tax expense	5	(125,779)	(250,200)
<b>Profit for the year</b>		<u>1,092,754</u>	<u>1,204,388</u>
<b>Total comprehensive income for the year attributable to members</b>		<u>1,092,754</u>	<u>1,144,401</u>

The accompanying notes form part of these financial statements.

**KINGSGROVE RSL CLUB LIMITED**  
**ABN 32 000 463 196**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	1,079,292	1,442,339
Trade and other receivables	7	74,708	42,202
Inventories	8	53,298	53,736
Other current assets	9	101,271	94,052
<b>TOTAL CURRENT ASSETS</b>		<u>1,308,569</u>	<u>1,632,329</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	20,603,865	15,234,090
Tax assets	11	83,509	99,739
<b>TOTAL NON-CURRENT ASSETS</b>		<u>20,687,374</u>	<u>15,333,829</u>
<b>TOTAL ASSETS</b>		<u>21,995,943</u>	<u>16,966,158</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	12	776,864	650,710
Borrowings	13	461,701	320,831
Provisions	14	202,358	187,033
Tax liabilities	11	91,151	240,374
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,532,074</u>	<u>1,398,948</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13	4,065,296	276,283
Provisions	14	199,549	184,657
Tax liabilities	11	189,095	189,095
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>4,453,940</u>	<u>650,035</u>
<b>TOTAL LIABILITIES</b>		<u>5,986,014</u>	<u>2,048,983</u>
<b>NET ASSETS</b>		<u>16,009,929</u>	<u>14,917,175</u>
<b>MEMBERS' FUNDS</b>			
Reserves	15	2,928,078	2,928,078
Retained earnings	16	13,081,851	11,989,097
<b>MEMBERS' FUNDS</b>		<u>16,009,929</u>	<u>14,917,175</u>

The accompanying notes form part of these financial statements.



**KINGSGROVE RSL CLUB LIMITED**  
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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	Retained earnings \$	Total \$
<b>Balance at 1 January 2016</b>		10,844,696	10,844,696
Profit attributable to Members		1,204,388	1,204,388
Loss on Disposal Property, Plant & Equipment		(59,987)	(59,987)
<b>Balance at 31 December 2015</b>		<u>11,989,097</u>	<u>11,989,097</u>
Profit attributable to Members		1,092,754	1,092,754
<b>Balance at 31 December 2016</b>		<u>13,081,851</u>	<u>13,081,851</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 2016**

	2016	2015
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	9,587,900	9,125,424
Payments to suppliers and employees	(7,591,968)	(6,964,668)
Interest received	22,580	13,658
Borrowing costs paid	(136,540)	(82,226)
<b>Net cash provided by operating activities</b>	<b>17</b> <u>1,881,972</u>	<u>2,092,188</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	75,878	707,059
Payments for property, plant and equipment	(6,250,780)	(1,000,569)
<b>Net cash provided by (used in) investing activities</b>	<u>(6,174,902)</u>	<u>(293,510)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	4,364,072	409,069
Repayment of borrowings	(434,189)	(1,400,850)
<b>Net cash provided by (used in) financing activities</b>	<u>3,929,883</u>	<u>(991,781)</u>
Net increase in cash held	(363,047)	806,897
Cash at beginning of financial year	1,442,339	635,442
<b>Cash at end of financial year</b>	<b>6</b> <u>1,079,292</u>	<u>1,442,339</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 2016**

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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 14<sup>th</sup> February 2017.

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 the Australian Accounting Standards and the Corporations Act 2001.

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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**NOTES TO THE FINANCIAL STATEMENTS**  
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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 carried at their fair value, based on periodic valuations.

#### **Plant and equipment**

Plant and equipment are measured using the cost model.

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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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**NOTES TO THE FINANCIAL STATEMENTS**  
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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.

**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 wholly 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 one year 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. Cash flows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

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

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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.

All revenue is stated net of the amount of goods and services tax (GST).

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.

**Significant Accounting Judgements, Estimates & Assumptions.**

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 judgments 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 judgments 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.

**KINGSGROVE RSL CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>3 Revenue and Other Income</b>		
<b>Revenue</b>		
Poker Machines-Net Clearances	7,825,942	7,363,091
Bar Sales	1,038,457	991,366
Cafe Sales	187,361	151,489
	<u>9,051,760</u>	<u>8,505,946</u>
Other revenue:		
Interest received	22,580	13,658
Other revenue	536,140	619,478
	<u>558,720</u>	<u>633,136</u>
<b>Total revenue</b>	<u>9,610,480</u>	<u>9,139,082</u>
<b>Interest revenue from:</b>		
Interest Received	22,580	13,658
<b>Other revenue from:</b>		
Membership Subscriptions	19,785	20,830
Profit on sale of Fixed Asset	-	267
Commissions - Keno & TAB	113,832	114,056
Entertainment & Promotions	143,530	160,334
Rents Received	101,830	90,296
Functions Income	55,554	82,407
Other Income	101,609	151,288
<b>Total other revenue</b>	<u>536,140</u>	<u>619,478</u>
<b>4 Profit for the year</b>		
Profit before income tax from continuing operations includes the following specific expenses:		
<b>Expenses</b>		
Cost of sales	495,193	455,757

**KINGSGROVE RSL CLUB LIMITED**  
**ABN 32 000 463 196**

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

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Borrowing Expenses	136,540	82,226
Employee benefits expense:		
contributions to defined contribution superannuation funds	180,632	164,046
Depreciation of property, plant and equipment	799,187	671,557
Net Loss on Disposal of Fixed Assets	5,940	59,987
<b>5 Income Tax Expense</b>		
The components of tax expense comprise:		
Income Tax Expense	125,779	250,200
<b>6 Cash and Cash Equivalents</b>		
Cash in Hand	295,000	295,000
Cash at Bank	228,392	392,339
Interest Bearing Deposits	550,000	750,000
Deposits Paid	5,900	5,000
	1,079,292	1,442,339
<b>Reconciliation of cash</b>		
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	1,079,292	1,442,339
	1,079,292	1,442,339
<b>7 Trade and Other Receivables</b>		
<b>Current</b>		
Other Debtors	73,645	42,202
GST on supplies	1,063	-
	74,708	42,202

**KINGSGROVE RSL CLUB LIMITED**  
**ABN 32 000 463 196**

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

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<p>The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances.</p>		
<b>8 Inventories</b>		
<b>Current</b>		
At cost:		
Stock on Hand - at Cost	<u>53,298</u>	<u>53,736</u>
<b>9 Other Non-Financial Assets</b>		
<b>Current</b>		
Prepayments	<u>101,271</u>	<u>94,052</u>
<b>10 Property, Plant and Equipment</b>		
<b>Land and Buildings</b>		
Land-at Valuation	5,790,000	5,790,000
Buildings-at Cost	10,337,703	6,429,302
Less accumulated depreciation	<u>(365,291)</u>	<u>(233,920)</u>
	9,972,412	6,195,382
<b>Total Land and Buildings</b>	<u>15,762,412</u>	<u>11,985,382</u>
Plant & Equipment - at Cost	1,008,001	646,858
Less accumulated depreciation	<u>(141,374)</u>	<u>(207,479)</u>
	866,627	439,379
Motor Vehicles - at Cost	35,768	35,768
Less accumulated depreciation	<u>(8,268)</u>	<u>(3,785)</u>
	27,500	31,983
Furniture & Fittings - at Cost	2,373,285	1,835,546
Less accumulated depreciation	<u>(1,321,757)</u>	<u>(1,480,101)</u>
	1,051,528	355,445
Poker Machine - at Cost	5,135,836	4,524,155
Less accumulated depreciation	<u>(2,240,038)</u>	<u>(2,102,254)</u>
	2,895,798	2,421,901
<b>Total Plant and Equipment</b>	<u>4,841,453</u>	<u>3,248,708</u>
<b>Total Property, Plant and Equipment</b>	<u>20,603,865</u>	<u>15,234,090</u>

**KINGSGROVE RSL CLUB LIMITED**  
**ABN 32 000 463 196**

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

	2016	2015			
	\$	\$			
<b>Movements in Carrying Amounts of Property, Plant and Equipment</b>					
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 2015	6,486,150	6,072,615	924,706	2,128,399	15,811,870
Additions	-	241,193	327,000	432,376	1,000,569
Disposals	(696,150)	-	(10,909)	-	(707,059)
Impairment losses	-	-	(79,626)	79,893	267
Depreciation expense	-	(118,427)	(334,362)	(218,766)	(671,557)
Balance at 31 December 2015	5,790,000	6,195,381	826,809	2,421,900	15,234,090
Additions	-	3,925,399	1,373,090	952,291	6,250,780
Disposals	-	-	(1,483)	(74,395)	(75,878)
Impairment losses	-	(14,889)	(41,475)	50,424	(5,940)
Depreciation expense	-	(133,479)	(211,286)	(454,422)	(799,187)
Carrying amount at 31 December 2016	5,790,000	9,972,412	1,945,655	2,895,798	20,603,865

**11 Tax**

**Liabilities**

**Current**

Provision for Income Tax	91,151	240,374
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**Non-current**

Provision for Deferred Income Tax	189,095	189,095
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**Assets**

Future Income Tax Benefits	83,509	99,739
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**KINGSGROVE RSL CLUB LIMITED**  
**ABN 32 000 463 196**

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

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>12 Trade and Other Payables</b>		
<b>Current</b>		
Trade Creditors	464,395	246,560
Other Creditors	<u>312,468</u>	<u>404,150</u>
	<u>776,864</u>	<u>650,710</u>
All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value		
<b>13 Borrowings</b>		
<b>Current</b>		
Hire Purchase Instalments Within 12 months	<u>461,701</u>	<u>320,831</u>
<b>Non-Current</b>		
Hire Purchase Creditors	648,778	275,283
Bank Loan Secured	<u>3,416,518</u>	<u>1,000</u>
Total non-current borrowings	<u>4,065,296</u>	<u>276,283</u>
Total borrowings	<u>4,526,997</u>	<u>597,114</u>
<b>14 Provisions</b>		
Provision for Long Service Leave	199,549	184,657
Provision for Donations	17,654	27,772
Provision for Poker Machine GST Rebate	11,453	11,454
Provision for Annual Leave and Sick Leave	<u>173,251</u>	<u>147,807</u>
Total provisions	<u>202,358</u>	<u>187,033</u>
	<u>401,907</u>	<u>371,690</u>

**KINGSGROVE RSL CLUB LIMITED**  
**ABN 32 000 463 196**

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

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Analysis of Total Provisions</b>		
Current	202,358	187,033
Non-current	199,549	184,657
	<u>401,907</u>	<u>371,690</u>
<b>15 Reserves</b>		
<b>Asset Revaluation Reserve</b>		
The asset revaluation reserve records revaluations of non-current assets.		
<b>Capital Profit Reserve</b>		
The capital profit reserve records capital gains on disposal of non-current assets.		
<b>16 Retained Earnings</b>		
Retained earnings at the beginning of the financial year	11,989,097	10,844,696
Net profit attributable to members of the company	1,092,754	1,204,388
Loss on Disposal Property, Plant & Equipment	-	(59,987)
Retained earnings at the end of the financial year	<u>13,081,851</u>	<u>11,989,097</u>
<b>17 Cash Flow Information</b>		
<b>Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Profit after income tax	1,092,754	1,144,401
<b>Non-cash flows in profit</b>		
Net profit of disposal of property, plant and equipment	5,940	59,720
Depreciation and amortisation of property, plant and equipment	799,207	671,557
Overprovision for income tax	(133,013)	123,094
<b>Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries</b>		
(Increase)/decrease in Trade and other receivables	(32,506)	(5,295)
(Increase)/decrease in Other current assets	(7,219)	(4,059)
(Increase)/decrease in Inventories	438	(3,712)
(Increase)/decrease in Other non-current assets	-	2,925
(Decrease)/Increase in Trade and other payables	126,154	77,960
(Decrease)/Increase in Provisions	30,217	25,597
	<u>1,881,972</u>	<u>2,092,188</u>

**KINGSGROVE RSL CLUB LIMITED**  
**ABN 32 000 463 196**

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

	2016	2015
	\$	\$
<b>18 Key Management Personnel Details</b>		
<b>(a) Directors</b>		
The following persons were non-executive directors of the company during the financial year:		
Mr Alan Barnes		
Mr John Graham		
Ms Heather Shepherd		
Mr Tas Aronis		
Mr Wes Hema		
Mr Bruce Geerin		
Ms Louise Pettit		
Mr Barry Willoughby		
Mr John (Sean) Mahony		
<b>(b) Other Key Management Personnel</b>		
The following persons also had had authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly during the financial year:		
<b>Name</b>	<b>Position</b>	
Ian Todd	General Manager	
Debbie Harris	Operational Manager	
<b>(c) Key Management Personnel Compensation</b>		
Benefits and payments made to the directors and other Key management personnel	323,569	
<b>(d) Transaction with related parties</b>		
From time to time, directors of the company, or their director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or members.		
No director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.		
<b>19 Related Parties</b>		
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.		



**KINGSGROVE RSL CLUB LIMITED**  
**ABN 32 000 463 196**

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

**2016**  
**\$**

**2015**  
**\$**

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**20 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**

**21 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 23, for the year ended 31 December 2016 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 14th day of February 2017

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



**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 2016 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**

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



Chartered  
Accountants

**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 2016 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 14th day of February 2017**

**Partners**

**Graeme Dowsett FCA**  
**Geoffrey Smith FCA**

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