

Quirindi R.S.L. Sub-Branch Club

ABN: 95 000 856 388

Financial Statements

For the Year Ended 30 June 2016

Contents

For the Year Ended 30 June 2016

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Directors' Report

For the Year Ended 30 June 2016

The directors present their report on Quirindi R.S.L. Sub-Branch Club for the financial year ended 30 June 2016.

1. General information

Information on directors

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

Douglas Hawkins	President
Qualifications	Retired
Experience	Previous Club Board experience
Luke Scanlon	Vice President
Qualifications	Real Estate Business Principal
Experience	Business owner
Paul Maher	Treasurer
Qualifications	Spare parts interpreter
Experience	Previous Club Board experience
Colin Stewart	
Qualifications	Chartered Accountant
Experience	Company Director
Earl Kelaher	
Qualifications	Company Director
Experience	Business Owner
Grant Gregory	Resigned 27/09/2015, Reinstated 27/10/15
Qualifications	Business Owner
Experience	Business Management
Peter Vereyken	Resigned 27/09/2015
Qualifications	Business Management
Experience	Former business owner
James (Jim) Banister	Resigned 27/10/15
Qualifications	Company Director
Experience	Business Owner
Kenneth Aitken	Resigned 27/09/2015
Qualifications	Retired
Experience	Previous Club Board Experience

Directors' Report

For the Year Ended 30 June 2016

Information on directors continued

Information on directors continued

Adam Hitchen	Appointed 27/09/2015
Qualifications	Police Officer
Experience	Director for 11 months
Amanda Potter	Appointed 27/09/2015
Qualifications	Secretary
Experience	Director 11 months
Tony Todd	Appointed 27/09/2015
Qualifications	Financial Controller
Experience	Director 11 months
Margaret McGrath	Retired 30/01/2016
Qualifications	Club Secretary/Manager
Experience	Previous Club Board Experience
Terrie Clark	Appointed 1/02/2016
Qualifications	Hospitality Manager
Experience	Previous Hospitality Management
Special responsibilities	Club Secretary/Manager

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

Principal activities

The principal activity of Quirindi R.S.L. Sub-Branch Club during the financial year was the operation of a licensed Club.

The following significant changes in the nature of the principal activities occurred during the financial year:

- Completion of a 20 room motel that commenced trading in March 2016.

Short term objectives

The Company's short term objectives are to:

- continue the poker machine replacement program; and
- ensure the Club's facilities support the long term objectives.

Directors' Report

For the Year Ended 30 June 2016

Long term objectives

The Company's long term objectives are to:

- develop a more diverse income stream to enable the Club to continue to provide benefits to its members;
- ensure the board and management have the resources and capability to deliver goals and there is a common agreement on the benefits to the club of these objectives.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Ensure the Board and Management have the resources and capability to deliver these goals and there is common agreement on the benefits to the Club of these objectives.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- providing the resources to enable the objectives to be realised.

Performance measures

The following measures are used within the Company to monitor performance:

- Member satisfaction
- Gross profit margins
- Profitability
- Staffing levels
- Inventory levels

Members guarantee

Quirindi R.S.L. Sub-Branch Club is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 20.

At 30 June 2016 the collective liability of members was \$ 23,980 (2015: \$ 25,240).

Company secretary

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

Margaret McGrath (Club Secretary and Manager) has been the company secretary since 2003 and retired 30th January, 2016. Terrie Clark (Club Secretary and Manager) was appointed on the 1st of February, 2016.

Directors' Report

For the Year Ended 30 June 2016

Meetings of directors

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Douglas Hawkins	12	12
James (Jim) Banister	3	3
Luke Scanlon	12	10
Paul Maher	12	12
Earl Kelahe	12	10
Colin Stewart	12	10
Peter Vereyken	2	2
Kenneth Aitken	2	2
Grant Gregory	11	11
Amanda Potter	10	10
Adam Hitchen	10	8
Tony Todd	10	9
Margaret McGrath	7	7
Terrie Clark	5	5

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2016 has been received and can be found on page 5 of the financial report.

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

Director: 

Director: 

Dated this 6 day of September 2016

Quirindi R.S.L. Sub-Branch Club

ABN: 95 000 856 388

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 To the Directors of Quirindi R.S.L. Sub-Branch Club

I declare that, to the best of my knowledge and belief, during the year ended 30 June 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.



Margaret van Aanholt, Director

PKF Lawler Warburtons Audit & Assurance Pty Limited

PKF Lawler Warburtons
Audit & Assurance Pty Ltd
ABN 39 082 276 506
Registered Auditor No:306435

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2016

		2016	2015
	Note	\$	\$
Revenue	4	3,171,113	3,063,524
Other income	4	7,659	23,857
Cost of goods sold		(641,505)	(586,245)
Employee benefits expense		(1,068,686)	(953,407)
Depreciation and amortisation expense		(232,660)	(189,702)
Other expenses		(1,094,037)	(1,027,701)
Finance costs		(43,998)	-
Profit before income tax		97,886	330,326
Income tax expense	6	-	-
Profit for the year		97,886	330,326
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		97,886	330,326

The accompanying notes form part of these financial statements.

Statement of Financial Position

As At 30 June 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	431,276	316,511
Trade and other receivables	8	10,567	42,150
Inventories	9	70,089	75,217
Other financial assets	10	436,182	940,622
Prepayments	11	37,349	26,838
TOTAL CURRENT ASSETS		985,465	1,401,336
NON-CURRENT ASSETS			
Trade and other receivables	8	5,000	5,000
Property, plant and equipment	12	5,620,183	3,420,144
Intangible assets	13	33,500	33,500
TOTAL NON-CURRENT ASSETS		5,658,683	3,458,644
TOTAL ASSETS		6,644,148	4,859,980
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	334,939	393,694
Other liabilities	15	30,855	26,399
Short-term provisions	16	36,654	33,144
Employee benefits	18	12,572	24,888
TOTAL CURRENT LIABILITIES		415,020	478,125
NON-CURRENT LIABILITIES			
Other liabilities	15	12,274	11,186
Borrowings	17	1,750,000	-
Employee benefits	18	11,200	14,982
TOTAL NON-CURRENT LIABILITIES		1,773,474	26,168
TOTAL LIABILITIES		2,188,494	504,293
NET ASSETS		4,455,654	4,355,687
EQUITY			
Retained earnings		4,455,654	4,357,767
TOTAL EQUITY		4,455,654	4,357,767

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2016

2016

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2015	4,357,767	4,357,767
Profit attributable to members of the entity	97,886	97,886
Balance at 30 June 2016	4,455,654	4,455,654

2015

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2014	4,027,441	4,027,441
Profit attributable to members of the entity	330,326	330,326
Balance at 30 June 2015	4,357,767	4,357,767

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2016

	2016	2015
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	3,477,767	3,308,580
Payments to suppliers and employees	(3,175,674)	(2,675,120)
Rent received	4,950	9,130
Finance costs	(43,998)	-
Interest and dividends received	22,320	41,370
Net cash provided by/(used in) operating activities	23 285,365	683,960
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant & equipment	8,000	24,500
Payment to acquire property, plant & equipment	(2,433,040)	(813,959)
Purchase of available-for-sale investments	504,440	162,501
Net cash used by investing activities	(1,920,600)	(626,958)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	1,750,000	-
Net cash used by financing activities	1,750,000	-
Net increase/(decrease) in cash and cash equivalents held	114,765	57,002
Cash and cash equivalents at beginning of year	316,511	259,509
Cash and cash equivalents at end of financial year	7 431,276	316,511

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2016

The financial report covers Quirindi R.S.L. Sub-Branch Club as an individual entity. Quirindi R.S.L. Sub-Branch Club is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Quirindi R.S.L. Sub-Branch Club is Australian dollars.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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.

2 Summary of Significant Accounting Policies

(a) 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.

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

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.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised 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.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

Rental income

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

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably 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 estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

(b) Income Tax

Due to the principle of mutuality, the Club's liability for income tax relates only to net revenue from non-members and income from outside investments, less a proportion of expenditure attributable to both members and non-members.

(c) 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.

(d) Trade and other receivables

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

(e) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

(f) Property, Plant and Equipment

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

Depreciation

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

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

Fixed asset class	Depreciation rate
Freehold Land & Buildings - RSL Club (at cost)	2.5 % Prime cost
Improvements	5% - 20% D.V.
Poker Machines	18% - 40% D.V.
Plant & Equipment	10% - 30% D.V.

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.

(g) 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.

(h) 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. Cashflows 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 cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

(i) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(j) Goods and Services Tax (GST)

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

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.

Notes to the Financial Statements

For the Year Ended 30 June 2016

3 Critical accounting judgements, estimates and assumptions continued

Employee benefits provision

As discussed in note 1, 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 and pay increases through promotion and inflation have been taken into account.

4 Revenue and Other Income

Revenue from continuing operations

	2016 \$	2015 \$
Sales revenue		
- Bar sales	1,154,351	1,055,373
- Poker machine takings	1,641,280	1,704,379
	<u>2,795,631</u>	<u>2,759,752</u>
Finance income		
- interest revenue	21,999	41,049
- dividend income	321	321
Finance income	<u>22,320</u>	<u>41,370</u>
Other revenue		
- motel revenue	115,880	-
- rental revenue from investment property	4,500	8,300
- golf club fees and charges	75,166	76,523
- golf club contributions	-	33,848
- member subscriptions	38,815	43,007
- commissions	76,881	62,033
- GST rebate	20,246	27,580
- sundry income	21,674	11,110
	<u>353,162</u>	<u>262,401</u>
Total Revenue	<u><u>3,171,113</u></u>	<u><u>3,063,523</u></u>

	2016 \$	2015 \$
Other Income		
- Insurance recovery	-	2,993
- net gain on disposal of property, plant and equipment	7,659	20,864
	<u>7,659</u>	<u>23,857</u>

Notes to the Financial Statements

For the Year Ended 30 June 2016

5 Result for the Year

The following expenses are included in the operating result for the year;

	2016	2015
	\$	\$
Electricity and water	95,151	101,660
Depreciation and amortisation expense	232,660	189,702
Poker Machine Duty Tax	218,489	236,518
Members Discounts, Amenities & Promotions	195,732	184,877
Repairs and maintenance	141,932	143,112
Superannuation contributions	85,318	103,414
Insurance	38,020	33,927
Land rates	21,623	20,884
Advertising	29,659	22,697
Bad debts	3,033	-
Accounting and audit expenses		
- Audit fees - PKF Lawler Warburtons	9,000	7,450
- Accounting fees - Quantum X	15,394	10,218
Rental expenses on operating leases:		
- Premises - Contractual amounts	18,250	14,637

6 Income Tax Expense

Reconciliation of income tax to accounting profit:

	2016	2015
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2015: 30%)	29,366	99,098
Less:		
Tax effect of:		
- non-taxable member income arising from principle of mutuality	29,366	99,098
Income tax expense	-	-

7 Cash and cash equivalents

	2016	2015
	\$	\$
Cash on hand	65,877	61,155
Cash at bank	365,399	255,356
	431,276	316,511

Notes to the Financial Statements

For the Year Ended 30 June 2016

8 Trade and other receivables

	2016	2015
	\$	\$
CURRENT		
Trade and other receivables	10,567	42,150
Total current trade and other receivables	10,567	42,150
NON-CURRENT		
Deposits	5,000	5,000
Total non-current trade and other receivables	5,000	5,000

9 Inventories

	2016	2015
	\$	\$
CURRENT		
At cost:		
Stock on hand - bar	39,963	48,704
Non bar	30,126	26,513
	70,089	75,217

10 Other financial assets

	2016	2015
	\$	\$
CURRENT		
Term Deposits	436,182	940,622
Total financial assets	436,182	940,622

11 Other non-financial assets

	2016	2015
	\$	\$
CURRENT		
Prepayments	37,349	26,838
Total Prepayments	37,349	26,838

Notes to the Financial Statements

For the Year Ended 30 June 2016

12 Property, plant and equipment

	2016 \$	2015 \$
LAND AND BUILDINGS		
Freehold land & buildings		
At cost	1,677,177	1,677,177
Accumulated depreciation	(697,326)	(655,282)
Total leasehold land	979,851	1,021,895
Leasehold buildings		
Under lease	140,917	140,917
Accumulated depreciation	(140,917)	(140,917)
Total leasehold buildings	-	-
Capital works in progress		
At cost	24,008	411,273
Leasehold Improvements - RSL Club (Stage 1)		
At cost	48,548	48,548
Accumulated depreciation	(8,501)	(7,284)
	40,047	41,264
Leasehold Improvements - RSL Club (Stage 2)		
At cost	968,487	968,487
Accumulated depreciation	(144,878)	(120,599)
	823,609	847,888
Motel Development (Stage 3)		
At cost	2,407,618	-
Accumulated depreciation	(15,501)	-
	2,392,117	-
Hotel purchase -RSL Club (Stage 4)		
At cost	346,317	342,969
Leasehold Improvements - Golf Club		
Under lease	114,906	114,906
Accumulated depreciation	(50,807)	(49,689)
	64,099	65,217

Notes to the Financial Statements

For the Year Ended 30 June 2016

12 Property, plant and equipment continued

Buildings - Golf Club

At deemed cost

67,065 67,065

Accumulated depreciation

(41,360) (39,679)

25,705 27,386

PLANT & EQUIPMENT

RSL Club

At cost

2,218,163 2,076,481

Accumulated depreciation

(1,554,694) (1,446,924)

663,469 629,557

Golf Club

At cost

127,135 108,091

Accumulated depreciation

(76,377) (75,396)

50,758 32,695

Motel plant and equipment

At cost

222,608 -

Accumulated depreciation

(12,405) -

Total motel plant and equipment

210,203 -

Total property, plant and equipment

5,620,183 3,420,144

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Capital Works in Progress \$	Land & buildings \$	Stage 3 - Motel \$	Stage 1 Balcony \$	Stage 2 Upstairs upgrade \$	Stage 4 - hotel purchase \$
Year ended 30 June 2016						
Balance at the beginning of year	411,273	1,021,895	-	41,264	847,888	342,969
Additions at fair value	2,020,353	-	-	-	-	3,348
Disposals - WDV	-	-	-	-	-	-
Transfers	(2,407,618)	-	2,407,618	-	-	-
Depreciation expense	-	(42,044)	(15,501)	(1,217)	(24,279)	-
Balance at the end of the year	24,008	979,851	2,392,117	40,047	823,609	346,317

Notes to the Financial Statements

For the Year Ended 30 June 2016

12 Property, plant and equipment continued

	Plant & Equipment - RSL Club (at cost)	Buildings - Golf Club	Leasehold improvements - Golf Club	Plant & Equipment - Golf Club (at cost)	Plant and Equipment - Motel	Total
	\$	\$	\$	\$	\$	\$
Year ended 30 June 2016						
Balance at the beginning of year	629,557	27,386	65,217	32,695	-	3,420,144
Additions at fair value	167,687	-	-	19,044	222,608	2,433,040
Disposals - WDV	(341)	-	-	-	-	(341)
Transfers	-	-	-	-	-	-
Depreciation expense	(133,434)	(1,681)	(1,118)	(981)	(12,405)	(232,660)
Balance at the end of the year	663,469	25,705	64,099	50,758	210,203	5,620,183

Quirindi R.S.L. Sub Branch

The Directors have resolved that all land & Buildings owned by Quirindi R.S.L. Sub-Branch Club is classified as Core Property with the exception of 52 Abbott Street, Quirindi, which is classified as Non-Core Property for the purposes of Section 41J of the Registered Clubs Act.

Quirindi Golf Club

The buildings owned by Quirindi R.S.L. Sub Branch Club located at the Quirindi Golf Club are classified as Core Property.

13 Intangible Assets

Licenses

Poker machine licences

Total Intangibles

33,500	33,500
33,500	33,500

Notes to the Financial Statements

For the Year Ended 30 June 2016

14 Trade and other payables

	2016	2015
	\$	\$
CURRENT		
Trade payables	48,257	86,605
Employee benefits	134,562	112,114
Sundry payables and accrued expenses	80,280	176,739
Golf club advertising	-	2,080
GST payable	18,187	14,076
Retention - motel	53,653	2,080
Total Current Trade and Other Payables	334,939	393,694

15 Other Liabilities

	2016	2015
	\$	\$
CURRENT		
Memberships & fees received in advance	30,855	26,399
NON-CURRENT		
Membership received in advance	12,274	11,186

16 Provisions

	2016	2015
	\$	\$
CURRENT		
Bonus reward liability	24,711	21,805
CDSE liability	11,406	10,133
Golf Hole In One Competition	537	1,206
	36,654	33,144

Notes to the Financial Statements

For the Year Ended 30 June 2016

17 Other Financial Liabilities

	2016	2015
	\$	\$
NON-CURRENT		
CBA bank loan	<u>1,750,000</u>	<u>-</u>

During the year the Club established a Better Business Loan with the Commonwealth Bank of Australia. Security for this loan comprises of first registered mortgages over property located at 88 Station Street Quirindi & 134 Railway Ave Quirindi.

18 Employee Benefits

	2016	2015
	\$	\$
CURRENT		
Long service leave	<u>12,572</u>	<u>24,888</u>
	<u>12,572</u>	<u>24,888</u>
NON-CURRENT		
Long service leave	<u>11,200</u>	<u>14,982</u>
	<u>11,200</u>	<u>14,982</u>

19 Commitments

	2016	2015
	\$	\$
Minimum rental payments under non-cancellable rental agreement:		
- not later than one year	2,868	-
- between one year and five years	<u>10,994</u>	<u>-</u>
	<u>13,862</u>	<u>-</u>

During the year a 60 month rental agreement with Fuji Xerox Finance for a photocopier was executed. The minimum payment is \$239.00 per month.

20 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2016 (30 June 2015:Nil).

Notes to the Financial Statements

For the Year Ended 30 June 2016

21 Key Management Personnel Disclosures

One key management personnel exists but non compliance with AASB 124 has been chosen as not to breach the confidentiality of the Club.

22 Related Parties

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

23 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2016	2015
	\$	\$
Profit for the year	97,886	330,326
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	232,660	189,702
- net (gain)/loss on sale of property, plant and equipment	(7,659)	(20,864)
- (increase)/decrease in receivables	31,583	(5,885)
- (increase)/decrease in prepayments	(10,512)	(1,308)
- (increase)/decrease in inventories	5,128	(9,922)
- increase/(decrease) in trade and other payables	(47,623)	202,415
- increase/(decrease) in employee benefits	(16,098)	(505)
Cashflow from operations	<u>285,365</u>	<u>683,959</u>

24 Events Occurring 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.

25 Company Details

The registered office and the principal place of business of the company is:

Quirindi R.S.L. Sub-Branch Club
86-88 Station Street
QUIRINDI NSW

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 22, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date 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



Director



Dated this 6th day of September 2016

Quirindi R.S.L. Sub-Branch Club

ABN: 95 000 856 388

Independent Audit Report to the members of Quirindi R.S.L. Sub-Branch Club

Report on the Financial Report

We have audited the accompanying financial report of Quirindi R.S.L. Sub-Branch Club, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other 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 - 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.

Auditor's 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company'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 Company'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.

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 Quirindi R.S.L. Sub-Branch Club, would be in the same terms if given to the directors as at the time of this auditor's report.

PKF Lawler Warburtons
Audit & Assurance Pty Ltd
ABN 39 082 276 506
Registered Auditor No:306435

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Quirindi R.S.L. Sub-Branch Club

ABN: 95 000 856 388

Independent Audit Report to the members of Quirindi R.S.L. Sub-Branch Club

Opinion

In our opinion the financial report of Quirindi R.S.L. Sub-Branch Club is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Emphasis of Matter

Without further qualification to the above opinion We draw attention to Note to the financial statements "Key Management Personnel Disclosure". One key management personnel exists but not compliance with AASB 124 has been chosen as not to breach the confidentiality of the Club.

Our opinion is not qualified in respect of this matter.

PKF Lawler Warburtons Audit & Assurance Pty Ltd



Margaret van Aanholt

Tamworth, NSW

Dated this 7th day of September 2016

Quirindi R.S.L. Sub-Branch Club

ABN: 95 000 856 388

Disclaimer

30 June 2016

DISCLAIMER TO QUIRINDI R.S.L. SUB-BRANCH CLUB

The attached detailed profit and loss statements of Quirindi R.S.L. Sub-Branch Club has been prepared by Quirindi R.S.L. Sub-Branch Club for the information of members and do not form part of the Financial Statements.

The Responsibility of the Directors

The directors of Quirindi R.S.L. Sub-Branch Club are solely responsible for the information contained in the general purpose financial statements and the reliability, accuracy and completeness of the information.

The general purpose - reduced disclosure requirements financial statements were compiled exclusively for the benefit of the members. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

PKF Lawler Warburtons Audit & Assurance Pty Limited



Margaret van Aanholt

22-24 Bourke Street, Tamworth, NSW

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