

Corrimal RSL Memorial Club Ltd

ABN 83 000 872 033

Financial Statements

For the Year Ended 31 December 2015

Financial Statements

For the Year Ended 31 December 2015

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President's Report

Dear Members

I am very happy to present the 2015 Financial Statements and Directors' report. The Club is in a good financial position as reflected in the financial report, however, it is incumbent on the Board and management to continually monitor day to day and monthly trading and to address any risks as they arise. The result for 2015, a profit of \$340,966, is very satisfactory.

The Board continue to evaluate and evolve the Club's strategic plan with management and I look forward to making the most of the Club's assets over the coming years. At the time of writing this report, plans are moving along for some refreshing makeovers of the existing lounge areas including carpet and timber flooring, new furniture, booth style seating, lighting upgrade, screening and wall coverings. The Board look forward to showcasing the makeovers to the members in the coming months and appreciate any feedback that members may have.

Rob and Allen continue to provide members and visitors with top value and quality in the catering area. On behalf of the Board we thank you for your efforts over the year. It is great to have members compliment on being able to come in at lunch and enjoy a \$5 meal, especially those members on a fixed income or budget. It is important for us to provide value options and cater for all of our members.

Our relationships with the Sub Branch are cordial and always will be, to President John Simpson and Sub Branch Members thank you for your continued support through the year.

It is unfortunate but every year some of our Club Members suffer the loss of loved ones due to death, to those Members please accept our deepest sympathy. To the Members who have been ill or hospitalised we wish you a speedy recovery and get well soon.

Our Staff and Management have again provided members with great service throughout the year and I commend our team lead by Secretary Manager Bernie, on another pleasant year. Congratulations to all of the staff who have picked up customer service awards this year and especially to Julie, a club stalwart, on achieving the No. 1 service provider in NSW and ACT with the OOPS program. A truly terrific result!

There were a number of changes on the Board this year due to resignations. I thank Dennis and Shaunagh for your time and valuable input and we welcome Ian and Neil to the board who have filled the casual vacancies towards the back end of the year. 2016 is a voting year and I encourage members with the skills and desire to contribute to the Club the opportunity to nominate for a position. My congratulations to the Board and the Secretary Manager for a successful year.

To all of our Community and Sporting bodies I wish you every success over the coming year and into the future. It gives a great deal of satisfaction to be able to support such committed people such as yourselves. I would especially like to welcome the Corrimal Rangers Senior Soccer on board as one of our new community partners in 2015.

Thank you most of all to our loyal members, first and foremost you are the reason that the Club exists.

President's Report cont.

I am always available to members should they wish to pass on feedback whether good or bad. Without your feedback we cannot improve or continue to operate to member satisfaction.

Thank you one and all.

Bob Challinor President

Sub-Branch President's Report

Greetings to all,

As President and on behalf of the Executive and Membership of the Corrimal RSL Sub Branch may I say the year 2015 has been a positive, successful and a busy year for our Sub Branch and the League.

With the commemoration of the Centenary of the Anzac landings at Gallipoli now passed by, this year 2016 we will commemorate the Centenary of other fierce battles by the ANZACS on the western front World War One. Namely the battle for the Fromelles that caused more than 5000 Australian casualties and claimed the lives of 1917 Australian troops in one day.

During November 2015 we commemorated a historical event in the history of our nation, the Centenary of the Waratah re-enactment recruitment March of 1915. The Waratah march commenced on Thursday the 30th November 1915 when a group of 50 men left the then small township of Nowra marching to Sydney as part of a recruitment drive for World War One. Along the way the group visited towns and villages recruiting volunteers and the by the time the march reached Sydney the numbers had swelled to 117.

Recruitment of new members to our Sub Branch has been very pleasing including current serving Officers and other ranks, also our monthly Sub Branch meetings have been well attended.

It is with sorrow that over the past year we have seen the sad passing of nine of our Sub Branch comrades and on behalf of the Executive and members of our Sub Branch may we offer our sincere sympathies to the relatives and friends in your sad loss.

With Anzac Sunday fast approaching followed by Anzac Day, our Nations most sacred day, we will pause once again to remember the sacrifices made by those who fought and died for what they believed in.

As Corrimal RSL Sub Branch President it has been a pleasure to cooperate with Management along with the Board of Directors of the Memorial Club concerning many important matters and may I thank Club Management and Staff for their support and kindness during the past year.

Finally I wish to express my gratitude to our Sub Branch Secretary Greg Nolan, Treasurer Harry Bassett, Vice Presidents Neil McLean and Chris Crisp, Pensions Officer Bob Challinor, Welfare Officers Bronwyn Darby and Ray Morgan and also Committee members for their valued support throughout 2015.

“Lest We Forget”

Trevor (John) Simpson
President
Corrimal RSL Sub-Branch.

Secretary Manager's Report

It gives great pleasure to report to the members of Corrimal RSL Memorial Club for the 2015 year. The result for the year was a profit of \$340,966 (2014: \$187,566) which is again a record for your Club and nearly double on the previous year. This result on the back of 2014 has put the Club in a strong position to further enhance Club facilities, continue with debit reduction and plan for future development of our assets. We must, however, not get complacent as competition for the recreational dollar is always strong in the area and has also seen significant investment from clubs outside of Corrimal over the past year.

2015 was another year of growth for the Club with significant improvements in gaming and bar sales. Membership growth has been a significant driver and the installation of the new reception desk and full time door staff has made a tremendous difference. Heading up this membership revival is long term employee Julie who has done a fantastic job since leaving her post in the administration area after 30 years. Julie has been a wonderful addition to the front line team and her hard work was rewarded with the recent awarding of the number 1 OOPS superior customer service provider for 2015. A coveted award across NSW and the ACT with over 500 staff from 60 venues. Truly a fantastic achievement.

This year we further strengthened our community ties with yet another successful Spring into Corrimal event lead by the local business chamber. It is great to be associated with this successful annual event and we look forward to continued growth and community engagement. We are also delighted to welcome the Corrimal Rangers senior soccer club under our community partnership umbrella. This now secures the junior and senior clubs with Corrimal RSL as major sponsors and makes perfect sense given the proximity to the playing fields and facilities.

I am particularly proud of the staff of your Club who have shown commitment and a willingness to learn, improve and strive for outstanding customer service. As previously mentioned, we have proven that we have amongst the best staff in the state for customer service and a number of staff received multiple superior service excellence certificates during the year. We have had a number of changes in personnel, especially towards the back end of the year, and I would like to thank all of the staff for their efforts and welcome new staff to the family.

The Board and management have worked collaboratively on a number of challenges this year and I thank Bob and the Board for their full support in implementing new initiatives and ideas. During the year we saw a number of casual vacancies and welcomed back Neil and Ian who have both previously served on the Board. This coming year is a Board election year and I look forward to working with the incoming Board who will be considering potential future developments and long term planning for your Club.

The Club is in the final stages of securing another long term lease of the premises with the Sub Branch and I look forward to working with the Sub Branch over the coming months with ANZAC events and facility upgrades. Thank you to John Simpson, Sub Branch committee and members.

Thank you to all members for the continued support and growth of your Club. Your loyalty and patronage of club facilities is why we are here. I look forward to rolling out upgrades throughout 2016 for your comfort and enjoyment and encourage feedback and ideas.

Bernie Brown A.C.C.M.
Secretary Manager

Directors' Report

31 December 2015

The directors present their report on Corrimal RSL Memorial Club Ltd for the financial year ended 31 December 2015.

Information on directors

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

Name	Position	Qualifications	Appointed/resigned
Robert Challinor	President	Retired	
Gregory Nolan	Vice President	Handyman	
Harry Bassett	Treasurer	Managing Director	
Ann Stainthorpe	Director	Retired	
Lupco Veleski	Director	Mortgage Consultant	
Shaunagh Neeson	Director	Domestic Duties	Resigned 26/10/2015
Dennis Preece	Director	Retired	Resigned 23/9/2015
Ian Warren	Director	Training Consultant	Appointed 26/10/2015
Neil McLean	Director	Retired	Appointed 23/9/2015

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

Review of operations

The profit of the Company after providing for income tax amounted to \$ 340,966 (2014: \$187,566).

Principal activities

The principal activity of Corrimal RSL Memorial Club Ltd during the financial year was to operate a Registered Club for its members and their guests, including all of the usual facilities of a Club.

No significant changes in the nature of the Company's activity occurred during the financial year.

Short term objectives

The Company's short term objectives are to:

- to return the Company to operating profit; and
- provide facilities to members and guests that exceed their expectations.

Directors' Report

31 December 2015

Long term objectives

The Company's long term objectives are to:

- to ensure the company is a viable Club for use by members and guests for many years; and
- to repay the Company's loans.

Strategy for achieving the objectives

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

- implement cost cutting measures to areas that are deemed non value added; and
- membership drives to increase the Company's membership base.

Performance measures

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

- ability to generate positive operating cash flows,
- overall result for the year; and
- quality of the service and facilities provide to members and guests.

Members guarantee

Corrimal RSL Memorial Club Ltd 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 \$5, subject to the provisions of the Company's constitution.

At 31 December 2015 the collective liability of members was \$ 22,425 (2014: \$ 15,235).

Directors' Report

31 December 2015

Meetings of directors

During the financial year, 13 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
R Challinor	13	11
G Nolan	13	8
H Bassett	13	10
A Stainthorpe	13	13
L Veleski	13	11
S Neeson	11	6
D Preece	9	7
I Warren	1	1
N McLean	3	3

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2015 has been received and can be found on page 4 of the financial report.

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



R Challinor
Director

Dated 9 March 2016

**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001
To the Directors of Corrimal RSL Memorial Club Ltd**

I declare that, to the best of my 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.

Daley & Co.

Daley & Co
Chartered Accountants

Michael Mundt

Michael Mundt
Partner

9 March 2016

Wollongong

Liability limited by a scheme approved under Professional Standards Legislation.

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2015

	Note	2015 \$	2014 \$
Revenue	4	3,303,296	2,995,559
Other income	4	60,650	59,173
Changes in inventories of finished goods and work in progress		(327,824)	(297,856)
Employee benefits expense		(1,002,609)	(881,814)
Depreciation and amortisation expense		(245,080)	(254,759)
Direct bar expenses		(22,753)	(11,347)
Poker machine expenses		(443,446)	(379,479)
Club operation expenses		(875,815)	(921,143)
Rental property expense		(10,180)	(15,196)
Other operating expenses		(50,915)	(44,573)
Finance costs		(37,520)	(56,745)
Loss on disposal of assets		(6,838)	(4,254)
Profit/(loss) before income tax		340,966	187,566
Income tax expense	6	-	-
Profit/(loss) for the year		340,966	187,566
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		340,966	187,566

The accompanying notes form part of these financial statements.

Balance Sheet

As at 31 December 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	175,920	151,392
Trade and other receivables	8	46,135	9,651
Inventories	9	19,372	20,736
Other financial assets		750	750
Other assets	10	6,941	5,989
TOTAL CURRENT ASSETS		<u>249,118</u>	<u>188,518</u>
NON-CURRENT ASSETS			
Property, plant and equipment	11	2,819,795	2,817,959
TOTAL ASSETS		<u>3,068,913</u>	<u>3,006,477</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	274,341	207,922
Borrowings	13	154,663	138,673
Employee benefits	14	103,625	86,603
TOTAL CURRENT LIABILITIES		<u>532,629</u>	<u>433,198</u>
NON-CURRENT LIABILITIES			
Borrowings	13	199,497	582,486
Employee benefits	14	16,980	11,952
TOTAL NON-CURRENT LIABILITIES		<u>216,477</u>	<u>594,438</u>
TOTAL LIABILITIES		<u>749,106</u>	<u>1,027,636</u>
NET ASSETS		<u>2,319,807</u>	<u>1,978,841</u>
EQUITY			
Retained earnings		<u>2,319,807</u>	<u>1,978,841</u>
TOTAL EQUITY		<u>2,319,807</u>	<u>1,978,841</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2015

	Retained Earnings \$
Balance at 1 January 2015	1,978,841
Result for the year	<u>340,966</u>
Balance at 31 December 2015	<u>2,319,807</u>

	Retained Earnings \$
Balance at 1 January 2014	1,791,275
Result for the year	<u>187,566</u>
Balance at 31 December 2014	<u>1,978,841</u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 December 2015

	2015	2014
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	3,657,933	3,252,264
Payments to suppliers and employees	(3,063,610)	(2,642,841)
Interest received	14	54
Finance costs	(37,520)	(56,745)
Net cash provided by operating activities	<u>556,817</u>	<u>552,732</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	22,640	-
Purchase of property, plant and equipment	(187,930)	(728,204)
Payments for investments in co-operative	-	(750)
Net cash used by investing activities	<u>(165,290)</u>	<u>(728,954)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from borrowings	<u>(366,999)</u>	144,136
Net cash (used by)/provided by financing activities	<u>(366,999)</u>	144,136
Net increase/(decrease) in cash and cash equivalents held	24,528	(32,086)
Cash and cash equivalents at beginning of year	<u>151,392</u>	183,478
Cash and cash equivalents at end of financial year	7 <u>175,920</u>	<u>151,392</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2015

The financial report covers Corrimal RSL Memorial Club Ltd as an individual entity. Corrimal RSL Memorial Club Ltd is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Corrimal RSL Memorial Club Ltd is Australian dollars.

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 - Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board 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.

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

(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.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2 Summary of Significant Accounting Policies (Continued)

(a) Revenue and other income (Continued)

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

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.

(b) Borrowing costs

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.

(c) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2 Summary of Significant Accounting Policies (Continued)

(d) 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.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the balance sheet.

(e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the weighted average costs 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 31 December 2015

2 Summary of Significant Accounting Policies (Continued)

(g) Property, Plant and Equipment

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

Under the cost model, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on either a straight-line or diminishing value basis over the assets useful life to the Company, commencing when the asset is ready 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:

Fixed asset class	Depreciation rate
Buildings	2 - 20%
Plant and equipment	9 - 30%
Poker machines	25 - 50%
Leasehold improvements	2.5%
Kitchen/bistro equipment	6 - 20%
Bar equipment	6 - 20%

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.

(h) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2 Summary of Significant Accounting Policies (Continued)

(h) Financial instruments (Continued)

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2 Summary of Significant Accounting Policies (Continued)

(h) Financial instruments (Continued)

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future or
- designated by the entity to be carried at fair value through profit or loss upon initial recognition

Assets included within this category are carried in the balance sheet at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2 Summary of Significant Accounting Policies (Continued)

(h) Financial instruments (Continued)

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(i) 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 and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, 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.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2 Summary of Significant Accounting Policies (Continued)

(i) Impairment of non-financial assets (Continued)

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

(j) 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 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 balance sheet 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.

(k) Going concern

Prior to balance date, the operating lease for the land relating to the Club's principal place of business (core property) has expired, with the formal lease arrangements continuing on a monthly tenancy basis under the holding over provisions of the original lease agreement. The Directors have been negotiating the terms of a new lease agreement, with terms yet to be finalised. Under the existing lease agreement, either party may cancel the lease by giving 3 months' notice in writing. At the date of signing this financial report, no such notice has been executed. The Directors are of the opinion that the lease negotiation discussions are in the concluding stages, with only minor terms yet to be agreed upon and, accordingly, expect that a formal lease agreement will be signed shortly after the signing this financial report.

Should the terms of the lease not be agreed upon, then this will have a significant impact on the ability of the company to continue as a going concern and therefore whether it will realise its assets and liabilities in the normal course of business and at the amounts stated in the financial report.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2 Summary of Significant Accounting Policies (Continued)

(k) Going concern (Continued)

Where the company is no longer considered to be a going concern, the financial report would have to be prepared on a liquidation basis, where the realisation value of assets assumes importance, additional liabilities may accrue and the current versus non-current classification of liabilities becomes less critical than the seniority features of debt and other preferences in liquidation.

(l) 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 balance sheet.

Cash flows 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 Estimates and Judgments

The directors make estimates and judgements 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.

Notes to the Financial Statements

For the Year Ended 31 December 2015

3 Critical Accounting Estimates and Judgments (Continued)

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Notes to the Financial Statements

For the Year Ended 31 December 2015

4 Revenue and Other Income

	2015	2014
	\$	\$
Sales revenue		
- Bar sales revenue	820,517	746,522
- Poker machine revenue	2,206,519	1,978,292
- Member subscriptions	19,979	13,381
- Commissions	96,582	76,217
- GST rebate	17,180	17,180
- Insurance recoveries	6,993	2,100
- Donations from Sub-Branch	-	18,467
- Interest income	14	54
- Bingo income	36,060	34,580
- Raffle income	99,452	108,766
	<u>3,303,296</u>	<u>2,995,559</u>
Other revenue		
- Rental income	61,072	56,804
- Other income	(422)	2,369
	<u>60,650</u>	<u>59,173</u>

5 Result for the Year

Expenses

Depreciation expense	245,080	254,759
Interest expense	37,520	56,745
Superannuation contributions	77,941	73,557
Rental expense on operating leases minimum lease payments	55,342	59,986

Notes to the Financial Statements

For the Year Ended 31 December 2015

6 Income Tax Expense

Reconciliation of income tax to accounting profit:

	2015	2014
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2014: 30%)	102,289	56,270
Tax effect of:		
- Non-deductible member only income	11,925	10,874
- Income and expenditure subject to mutuality and not assessable	(108,405)	(72,067)
- Differences between tax and accounting deductions for the year	462	543
- Deferred tax benefits not recognised	-	4,380
- Prior year tax losses not previously brought to account	(6,271)	-
Income tax expense	<u>-</u>	<u>-</u>

7 Cash and cash equivalents

Cash on hand	84,450	95,877
Cash at bank	91,470	55,515
	<u>175,920</u>	<u>151,392</u>

8 Trade and other receivables

Other receivables	<u>46,135</u>	<u>9,651</u>
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The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

9 Inventories

Inventories	<u>19,372</u>	<u>20,736</u>
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Notes to the Financial Statements

For the Year Ended 31 December 2015

10 Other non-financial assets

	2015	2014
	\$	\$
Prepayments	<u>6,941</u>	<u>5,989</u>

11 Property, plant and equipment

Land and Buildings		
At cost	415,673	422,474
Accumulated depreciation	<u>(83,625)</u>	<u>(89,489)</u>
Total buildings	<u>332,048</u>	<u>332,985</u>
Plant and equipment		
At cost	634,231	555,458
Accumulated depreciation	<u>(464,791)</u>	<u>(419,880)</u>
Total plant and equipment	<u>169,440</u>	<u>135,578</u>
Poker machines		
At cost	1,224,784	1,094,378
Accumulated depreciation	<u>(889,805)</u>	<u>(777,080)</u>
Total poker machines	<u>334,979</u>	<u>317,298</u>
Leasehold improvements		
At cost	3,352,798	3,320,938
Accumulated amortisation	<u>(1,469,288)</u>	<u>(1,389,022)</u>
Total leasehold improvements	<u>1,883,510</u>	<u>1,931,916</u>
Kitchen/bistro		
At cost	284,000	284,000
Accumulated depreciation	<u>(252,961)</u>	<u>(249,694)</u>
Total kitchen/bistro	<u>31,039</u>	<u>34,306</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

11 Property, plant and equipment (Continued)

	2015	2014
	\$	\$
Bar equipment		
At cost	195,785	186,982
Accumulated depreciation	(127,006)	(121,106)
Total Bar equipment	<u>68,779</u>	<u>65,876</u>
Total plant and equipment	<u>2,819,795</u>	<u>2,817,959</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

11 Property, plant and equipment (Continued)

(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:

	Land and Buildings	Plant and Equipment	Poker machines	Leasehold improvements	Kitchen/ bistro	Bar	Total
	\$	\$	\$	\$	\$	\$	\$
Year ended 31 December 2015							
Balance at the beginning of year	332,985	135,578	317,298	1,931,916	34,306	65,876	2,817,959
Additions	-	75,002	144,888	31,905	-	9,115	260,910
Disposals - written down value	-	-	(13,682)	-	-	(312)	(13,994)
Depreciation expense	(937)	(41,140)	(113,525)	(80,311)	(3,267)	(5,900)	(245,080)
Balance at the end of the year	332,048	169,440	334,979	1,883,510	31,039	68,779	2,819,795

Notes to the Financial Statements

For the Year Ended 31 December 2015

11 Property, plant and equipment (Continued)

(b) Core and non-core property

As required under section 41J of the Registered Clubs Act 1976, the Club is required to specify the core property and non-core properties owned as at the end of the financial year. Accordingly, the Directors consider as core property the leased licensed premises from which the Club operates at 168 Princes Highway, Corrimal, including all freehold land referred to in the title deeds of the main licensed premises site (predominantly the car parking area).

The properties at 148 & 152 Princes Highway, Corrimal, are not considered to be core properties of the Club given that they are not the defined premises of the Club, nor any facility provided to the Club for the use of its members and their guests, nor any other property declared, by a resolution passed by the majority of the members present at a general meeting of the ordinary members of the Club.

12 Trade and other payables

	Note	2015 \$	2014 \$
Trade payables		122,065	103,903
GST payable		19,514	18,232
Employee benefits		5,035	2,068
Other payables		127,727	83,719
		<u>274,341</u>	<u>207,922</u>

13 Borrowings

CURRENT

Secured liabilities:

Lease liability*	15	104,641	91,177
Bank loans		50,022	47,496
		<u>154,663</u>	<u>138,673</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

13 Borrowings (Continued)

		2015	2014
		\$	\$
NON-CURRENT			
Secured liabilities:			
Lease liability*	15	36,770	88,291
Bank loans		162,727	494,195
		<u>199,497</u>	<u>582,486</u>

* - Leased liabilities are secured by the underlying leased assets.

Defaults and breaches

During the current and prior year, there were no defaults or breaches on any of the loans.

14 Employee Benefits

Current liabilities			
Long service leave		30,407	24,764
Other employee benefits		73,218	61,839
		<u>103,625</u>	<u>86,603</u>
Non-current liabilities			
Long service leave		16,980	11,952

15 Capital and Leasing Commitments

(a) Finance Leases

Minimum lease payments:

- not later than one year		106,122	99,056
- between one year and five years		69,825	91,568
		<u>175,947</u>	<u>190,624</u>

Finance leases are in place for recreational assets and normally have a term between 2 and 3 years.

Notes to the Financial Statements

For the Year Ended 31 December 2015

15 Capital and Leasing Commitments (Continued)

(b) Operating Leases

	2015	2014
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	8,041	54,437
- between one year and five years	3,350	11,391
	<u>11,391</u>	<u>65,828</u>

Operating leases have been taken out for the premises and general office equipment. Lease payments are increased on an annual basis to reflect market rentals.

16 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company was \$ 119,284 (2014: \$ 118,712).

Key Management Personnel are provided with and/or reimbursed for meals, drinks and other expenses incurred in the course of undertaking the Company's business. These costs are not considered to be remuneration and hence have not been included in this disclosure; notwithstanding that they are within the approved limits set by members at the Annual General Meeting for each term of the Board.

17 Contingencies

Contingent Liabilities

Corrimal RSL Memorial Club Ltd has a bank guarantee of \$5,000 at 31 December 2015 (2014: \$5,000). This bank guarantee is in respect of guarantees to third parties arising out of normal business.

Notes to the Financial Statements

For the Year Ended 31 December 2015

18 Related Parties

Key management personnel

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

	2015	2014
	\$	\$
Payment made to director controlled entity for building services	-	9,065

19 Events Occurring After the Reporting Date

The financial report was authorised for issue on 9 March 2016 by the Board of Directors.

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.

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 27, 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 31 December 2015 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.



R Challinor
Director

Dated 9 March 2016

Independent Audit Report to the members of Corrimal RSL Memorial Club Ltd

Report on the Financial Report

We have audited the accompanying financial report of Corrimal RSL Memorial Club Ltd, which comprises the balance sheet as at 31 December 2015, 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.

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*.

Independent Audit Report to the members of Corrimal RSL Memorial Club Ltd

Opinion

In our opinion the financial report of Corrimal RSL Memorial Club Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) 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
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Emphasis of Matter

We draw attention to Note 2(k) to the financial statements which describe the uncertainty relating to the Club's lease agreement in relation to the principal place of business.

Our opinion is not qualified in respect of this matter.

Daley & Co.

Daley & Co
Chartered Accountants

Michael Mundt

Michael Mundt
Partner

Wollongong

9 March 2016

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