

Corrimal RSL Memorial Club Ltd

ABN 83 000 872 033

Financial Statements

For the Year Ended 31 December 2014

Financial Statements

For the Year Ended 31 December 2014

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President's Report

Dear Members

Firstly, let me thank you for taking the time to read my report !

The year 2014 has been a very successful year for our Club, it has been a long time since I have been able to say we have made a profit and a very satisfactory one at that, but our continued profit making ability still needs to be tested. I will not go into figures, but will leave that the Auditors and Secretary Manager, straight from the horse's mouth as they say!

No doubt you have noticed changes within the Club. This is an advance of our five year action plan, with input and help from the Members we will be able to deliver to Members a Club that will be all things to all Members. It will not be easy nor will it happen instantly, but it is happening. As we pursue our aims we will work with what we have and constantly upgrade your Club as and when our finances permit. We do not have to spend mad money until we fully utilise what we already have.

Top marks must go to Rob and Allen Proprietors of the Bistro "Jaffa" the increase in patron and patron satisfaction with the quality and reasonable cost of meals is to be congratulated. Well done "Jaffa" Rob and Allen and staff.

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 and to the Members who have been ill or hospitalised we wish you a speedy recovery and get well soon.

Our Staff and Management are the key to the success or failure of Club, it is therefore incumbent on our Secretary Manager and Duty Managers to ensure that our Staff are relaxed, happy and with a feeling of belonging as they go about their duties. Having said that, please accept my utmost thanks for your untiring efforts over the past year, thank you one and all special mention to Iai on his Diploma, Paul on his Bursary and Tori on her promotion to Duty Manager, good luck on winning a scholarship Tori.

Last April there were a number of new Directors elected to the Board at first there was some disruption as the new Directors settled in and sorted themselves out and have settled into running the Club. My congratulations to the Board and the Secretary Manager for a most interesting and 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.

The best for last, to all the Members who stuck with us during the year your solidarity is to be applauded and I hold your loyalty in high esteem. Sometime ago it was my wish to make our Club the best on the coast and on that Members say "Corrimal RSL Memorial Club is my Club" with pride. With your help we will do it.

In ending if any Member has a complaint, suggestion, praise, feedback, comments or query please come and see me I am always approachable.

Bob Challinor President

Sub-Branch Presidents Report

Greetings all.

Corrimal RSL Sub-Branch maintained a stable membership during 2014, although it is sad to mention that seven of our comrades passed away during the year.

Our monthly Sub-Branch meetings were all well attended by our members in 2014 and I do hope this trend continues. However, if our Sub-Branch is to survive, we must do our utmost to recruit new membership. Especially Vietnam Veterans, National Servicemen, Iraq/Afghanistan Veterans and current/ex-service members of the Australian Defence Force.

We must realise that our WWII and Korean Veterans are not here forever and if our Sub-Branch is to survive Veterans must be prepared to take office.

During my continuing years as Sub-Branch President may I say that the Sub-Branch has a very acceptable working relationship with the Memorial Club Management and Board of Directors. We have endeavoured to work together on numerous occasions to resolve matters of importance concerning the Club and Sub-Branch. Hopefully these cordial relations will continue into future times and may I express my gratitude to the Staff of the Club for their assistance and valued support during the past year.

As most would realise, this year is the Centenary of the Gallipoli landings by the Australian and New Zealand Army Corps on the dark side of dawn on Sunday 25th April 1915, were the legend of ANZAC was born. On behalf of Corrimal RSL Sub-Branch may I welcome all to the Commemorative ANZAC Dawn Service at our ANZAC Grove Memorial this ANZAC Day.

I wish to express my own and the Sub-Branches sympathy to all the relatives of our Sub-Branch comrades who passed away during 2014.

In conclusion, I wish to express my appreciation to Sub-Branch Secretary Chris Crisp, Treasurer Harry Bassett, Vice-Presidents Neil McLean and Greg Nolan, Pensions Officer Bob Challinor and Welfare Officers Bronwyn Darby and Ray Morgan for their assistance and support throughout the past twelve months.

I wish all Sub-Branch comrades a healthy and prosperous 2015.

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

Secretary Managers' Report

It gives immense pleasure to report to the members of Corrimal RSL Memorial Club for the 2014 year. The result for the year was a profit of \$187,565 (2013 – loss of \$207,974) which is a record for your Club. This remarkable result shows a turnaround in net profit from 2013 of \$395,539.

Key achievements from the strategic plan this year include renovation of the alfresco gaming area, refresh of the internal spaces and aggressive gaming machine replacement. Significant improvements were noted in customer service, accountability and member offerings. Perhaps the single biggest improvement has been in the catering area. The team at JAFFA are producing such high quality food offerings at the best value for money in the Illawarra. Prove me wrong. I am constantly being contacted by locals, industry people and members who are raving about our food. We are regularly seeing in excess of 200 plus meals just on a Monday. The last 6 months of the year especially has seen significant growth in the dining area which has translated into solid bar sales growth and gaming. Keep up the great work JAFFA.

2014 was a year of remarkable growth but most importantly, community re-engagement. Activities such as sponsorship of Spring Into Corrimal has been fantastic and you may have even dropped in to say hi at our Pop-up Club on the day. I am proud to announce that the Club has signed on to be the platinum sponsor for this event for the next 3 years cementing our commitment to the Corrimal community. We have also invested significantly into local community projects with the community garden and Vinnies as well as assistance to local schools, community groups and sporting bodies. In fact, this gaming tax year (Aug 2013 – Aug 2014) year we contributed \$46,450 in donations and sponsorships which is \$26,170 above our ClubGRANTS minimum commitment of \$20,280. I am particularly proud of the newly formed staff community crew which is headed up by team leader Ilai. They have assisted with numerous community projects in 2014 and are on the lookout for more in 2015. This coming year we have teamed up with Corrimal Rangers Junior and Senior soccer as their marquee sponsor. This arrangement makes perfect sense given the proximity to the playing fields and accessibility. We are excited to be a part of hopefully a very successful year for them. We have also committed again to our long term relationship with Corrimal Netball to whom we donated last year, a shipping container for the storage of equipment.

Our strategic plan is now entering its 3rd review in March 2015. I am delighted to be part of this process as we will be looking ahead to some exciting internal refurbishments and long term planning for a major development of the corner block in the years ahead*. Members will be informed and included in the design phase through focus groups and surveys so please consider contributing through this process. We are hoping to have a DA submitted by the middle of 2015 for a significant internal refurbishment of the building including redefined internal spaces, ground floor function space, museum relocation and refurbishment, reception area and direct club access from the carpark. Again members will be consulted throughout the design process. The Sub-Branch has approved, in principal, a design concept for the refurbishment and I thank them for their support of this project. To prepare for this refurbishment, the Board are conscious of the current financial position of the Club and will not approve any commencement until our current debt is retired to a suitable level. To that end we have begun an aggressive borrowing reduction strategy and utilising the redraw facility to park additional funds thus reducing monthly interest.

We are currently gearing up for the Centenary of ANZAC commemorations and I have appreciated the support and ideas from the Sub-Branch regarding the organisation of the event. This year, as large numbers are expected, access into the club for the breakfast post the march on ANZAC Day will be limited. We have considerations for catering and overcrowding and must comply with council and police regulations. 450 tickets will be available for breakfast with priority to Sub-Branch members (\$2 ea) and their families and an allocation for Club members (\$5 ea) with any left-over available for general public (\$5 ea) at the door. From 9.30am, the doors will open as per normal trading on the day. Thank you to John Simpson, committee and members of the sub branch for your support to myself and the board over the past year.

**Secretary Managers' Report
(Continued)**

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. Last year we initiated mystery shoppers and implemented a customer service training program and standards that were designed, set and implemented by the staff. The mystery shopper reports have been great and prove that there has been a marked improvement throughout the year with several staff picking up customer service awards for excellence. Thank you to my admin team of Erin and Julie for their administrative support throughout the year not only to myself but the Board as well. Erin has also commenced his CPA qualification training and we wish him well with his studies. Thank you to the duty managers Paul, Andrew, relief Tory and recent Diploma of Hospitality recipient Ilai. This year Paul will be completing a substantial amount of training thanks to a successful national bursary prize award through the Club Managers Association, while Tory awaits the decision of the awarding of one of two scholarships to complete the Future Club Leaders course through ClubsNSW and Barringtons. Good luck to both of you. Other events and training staff participated in this year included armed robbery survival, emergency and evacuation response training, regional Club Managers summit, national club finance management summit, future leaders program, executive leadership program and customer service workshops.

As you can see we are investing heavily into our people and their professional development. Thank you to the bar, gaming, reception and courtesy bus staff. You are all the leading light in the benchmark for customer service in the Northern Suburbs.

Last April, the Board welcomed several new additions to its ranks who are settling in well and are providing quality ideas and support to the chair, peers and management. To Bob and the Board thank you for support in the execution of the strategic plan and confidence in my recommendations and ability. We could not have achieved the record results without working together towards the common goal. I look forward to working with the Board in the development of our next strategic plan, solid governance, community support and continued profitability for the future success of the Club.

Thank you members for the continued support and growth of your Club. Membership surged by 15% in the past year which is a reflection of the quality product, service and comfort that your club provides. I look forward to member input to our future development planning and any feedback or comments that you may have throughout the coming year.

Bernie Brown A.C.C.M.

Secretary Manager

*Subject to council approval

Directors' Report

31 December 2014

The directors present their report on Corrimal RSL Memorial Club Ltd for the financial year ended 31 December 2014.

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	Appointed 6/4/2014
Shaunagh Neeson	Director	Domestic Duties	Appointed 6/4/2014
Dennis Preece	Director	Retired	Appointed 6/4/2014
Ian Warren	Director	Training Consultant	Resigned 6/4/2014
Neil McLean	Director	Retired	Resigned 6/4/2014

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 \$ 187,565 (2013: loss after tax \$207,974).

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 2014

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 2014 the collective liability of members was \$ 15,235 (2013: \$ 13,255).

Directors' Report

31 December 2014

Meetings of directors

During the financial year, 12 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	12	11
G Nolan	12	12
H Bassett	12	11
A Stainthorpe	12	12
L Veleski	9	8
S Neeson	9	9
D Preece	9	8
I Warren	3	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 2014 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 25 February 2015

**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 2014, 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
Chartered Accountants

Michael Mundt
Partner

25 February 2015

Wollongong

Liability limited by a scheme approved under Professional Standards Legislation.

Corrimal RSL Memorial Club Ltd

ABN 83 000 872 033

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2014

	Note	2014 \$	2013 \$
Revenue	4	2,852,213	2,342,694
Other income	4	59,173	35,684
Changes in inventories of finished goods and work in progress		(297,856)	(282,712)
Employee benefits expense		(881,814)	(789,874)
Depreciation and amortisation expense		(254,759)	(363,002)
Direct bar expenses		(11,347)	(14,128)
Poker machine expenses		(379,479)	(263,670)
Club operation expenses		(777,998)	(790,702)
Rental property expense		(15,196)	(30,361)
Other operating expenses		(44,373)	(12,716)
Finance costs		(56,745)	(39,187)
Loss on disposal of assets		(4,254)	-
Profit/(loss) before income tax		187,565	(207,974)
Income tax expense	6	-	-
Profit/(loss) for the year		187,565	(207,974)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		187,565	(207,974)

The accompanying notes form part of these financial statements.

Corrimal RSL Memorial Club Ltd

ABN 83 000 872 033

Balance Sheet

As at 31 December 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	151,392	183,478
Trade and other receivables	8	9,651	30,666
Inventories	9	20,736	17,192
Other financial assets		750	-
Other assets	10	5,989	6,868
TOTAL CURRENT ASSETS		<u>188,518</u>	<u>238,204</u>
NON-CURRENT ASSETS			
Property, plant and equipment	11	2,817,959	2,511,548
TOTAL ASSETS		<u>3,006,477</u>	<u>2,749,752</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	207,922	309,914
Borrowings	13	138,673	106,850
Employee benefits	14	86,603	61,795
TOTAL CURRENT LIABILITIES		<u>433,198</u>	<u>478,559</u>
NON-CURRENT LIABILITIES			
Borrowings	13	582,486	470,173
Employee benefits	14	11,952	9,744
TOTAL NON-CURRENT LIABILITIES		<u>594,438</u>	<u>479,917</u>
TOTAL LIABILITIES		<u>1,027,636</u>	<u>958,476</u>
NET ASSETS		<u>1,978,841</u>	<u>1,791,276</u>
EQUITY			
Retained earnings		<u>1,978,841</u>	<u>1,791,276</u>
TOTAL EQUITY		<u>1,978,841</u>	<u>1,791,276</u>

The accompanying notes form part of these financial statements.

Corrimal RSL Memorial Club Ltd

ABN 83 000 872 033

Statement of Changes in Equity

For the Year Ended 31 December 2014

	Retained Earnings \$
Balance at 1 January 2014	1,791,276
Result for the year	<u>187,565</u>
Balance at 31 December 2014	<u><u>1,978,841</u></u>
Balance at 1 January 2013	1,999,250
Result for the year	<u>(207,974)</u>
Balance at 31 December 2013	<u><u>1,791,276</u></u>

The accompanying notes form part of these financial statements.

Corrimal RSL Memorial Club Ltd

ABN 83 000 872 033

Statement of Cash Flows

For the Year Ended 31 December 2014

	2014	2013
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	3,252,264	2,608,991
Payments to suppliers and employees	(2,642,841)	(2,446,001)
Interest received	54	58
Finance costs	(56,745)	(39,187)
Net cash provided by operating activities	<u>552,732</u>	<u>123,861</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	15,500
Purchase of property, plant and equipment	(728,204)	(156,584)
Payments for investments in co-operative	(750)	-
Proceeds from held-to-maturity investments	-	10,000
Net cash used by investing activities	<u>(728,954)</u>	<u>(131,084)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from borrowings	<u>144,136</u>	56,504
Net cash provided by financing activities	<u>144,136</u>	<u>56,504</u>
Net increase/(decrease) in cash and cash equivalents held	(32,086)	49,281
Cash and cash equivalents at beginning of year	<u>183,478</u>	134,197
Cash and cash equivalents at end of financial year	7 <u>151,392</u>	<u>183,478</u>

The accompanying notes form part of these financial statements.

Corrimal RSL Memorial Club Ltd

ABN 83 000 872 033

Notes to the Financial Statements

For the Year Ended 31 December 2014

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 2014

2 Summary of Significant Accounting Policies (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 2014

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 2014

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
Plant and equipment	9 - 30%
Furniture, fixtures and fittings	6 - 20%
Motor vehicles	20 - 25%
Office equipment	20 - 25%
Leasehold improvements	2.5%
Poker machines	25 - 50%

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 2014

2 Summary of Significant Accounting Policies (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 2014

2 Summary of Significant Accounting Policies (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
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

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.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

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 2014

2 Summary of Significant Accounting Policies (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 2014

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) 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.

Notes to the Financial Statements

For the Year Ended 31 December 2014

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.

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.

4 Revenue and Other Income**Revenue from continuing operations**

	2014	2013
	\$	\$
Sales revenue		
- Bar sales revenue	746,522	698,465
- Poker machine revenue	1,978,292	1,541,626
- Member subscriptions	13,381	9,773
- Commissions	76,217	65,237
- GST rebate	17,180	17,180
- Insurance recoveries	2,100	10,355
- Donations from Sub-Branch	18,467	-
- Interest income	54	58
	<u>2,852,213</u>	<u>2,342,694</u>
Other revenue		
- Rental income	56,804	31,924
- Other income	2,369	3,760
	<u>59,173</u>	<u>35,684</u>
Total Revenue	<u><u>2,911,386</u></u>	<u><u>2,378,378</u></u>

Corrimal RSL Memorial Club Ltd

ABN 83 000 872 033

Notes to the Financial Statements

For the Year Ended 31 December 2014

5 Result for the Year

Expenses

	2014	2013
	\$	\$
Depreciation expense	254,759	363,002
Interest expense	56,745	39,187
Superannuation contributions	73,557	64,835
Rental expense on operating leases minimum lease payments	53,756	53,233

6 Income Tax Expense

Reconciliation of income tax to accounting profit:

Prima facie tax payable on profit from ordinary activities before income tax at 30% (2013: 30%)	56,270	(62,392)
Tax effect of:		
- Non-deductible member only income	10,874	8,333
- Income and expenditure subject to mutuality and not assessable	(72,067)	47,082
- Differences between tax and accounting deductions for the year	543	(212)
- Deferred tax benefits not recognised	4,380	7,189
Income tax expense	-	-

7 Cash and cash equivalents

Cash on hand	95,877	92,636
Cash at bank	55,515	90,842
	<u>151,392</u>	<u>183,478</u>

Corrimal RSL Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2014

8 Trade and other receivables

	2014	2013
	\$	\$
Deposits	-	8,988
Other receivables	9,651	21,678
	<u>9,651</u>	<u>30,666</u>

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>20,736</u>	<u>17,192</u>
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10 Other non-financial assets

Prepayments	<u>5,989</u>	<u>6,868</u>
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11 Property, plant and equipment

Buildings		
At cost	422,474	422,474
Accumulated depreciation	(89,489)	(88,576)
Total buildings	<u>332,985</u>	<u>333,898</u>
Capital works in progress		
At cost	<u>-</u>	<u>77,381</u>

Corrimal RSL Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2014

11 Property, plant and equipment (Continued)

	2014	2013
	\$	\$
Plant and equipment		
At cost	555,458	519,341
Accumulated depreciation	(419,880)	(382,352)
Total plant and equipment	135,578	136,989
Poker machines		
At cost	1,094,378	1,003,009
Accumulated depreciation	(777,080)	(793,227)
Total poker machines	317,298	209,782
Leasehold improvements		
At cost	3,320,938	2,952,999
Accumulated amortisation	(1,389,022)	(1,323,730)
Total leasehold improvements	1,931,916	1,629,269
Kitchen/bistro		
At cost	284,000	281,409
Accumulated depreciation	(249,694)	(225,422)
Total kitchen/bistro	34,306	55,987
Bar equipment		
At cost	186,982	183,539
Accumulated depreciation	(121,106)	(115,297)
Total Bar equipment	65,876	68,242
Total plant and equipment	2,817,959	2,511,548

Corrimal RSL Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2014

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:

	Buildings	Plant and Equipment	Poker machines	Leasehold improvements	Kitchen/ bistro	Bar	Capital WIP	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 31 December 2014								
Balance at the beginning of year	333,898	136,989	209,782	1,629,269	55,987	68,242	77,381	2,511,548
Additions	-	40,045	202,540	316,806	2,591	3,443	-	565,425
Disposals - written down value	-	(455)	(3,800)	-	-	-	-	(4,255)
Transfers	-	-	-	77,381	-	-	(77,381)	-
Depreciation expense	(913)	(41,001)	(91,224)	(91,540)	(24,272)	(5,809)	-	(254,759)
Balance at the end of the year	332,985	135,578	317,298	1,931,916	34,306	65,876	-	2,817,959

Corrimal RSL Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2014

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

	2014	2013
	\$	\$
Trade payables	103,903	217,005
GST payable	18,232	13,541
Employee benefits	2,068	13,632
Other payables	83,719	65,736
	<u>207,922</u>	<u>309,914</u>

13 Borrowings

CURRENT

Secured liabilities:

Lease liability*	15	30,655	39,306
Bank loans		108,018	67,544
		<u>138,673</u>	<u>106,850</u>

Corrimal RSL Memorial Club Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2014

13 Borrowings (Continued)

		2014	2013
		\$	\$
NON-CURRENT			
Secured liabilities:			
Lease liability*	15	88,291	41,385
Bank loans		494,195	428,788
		<u>582,486</u>	<u>470,173</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		24,764	23,393
Other employee benefits		61,839	38,402
		<u>86,603</u>	<u>61,795</u>
Non-current liabilities			
Long service leave		11,952	9,744

15 Capital and Leasing Commitments

(a) Finance Leases

Minimum lease payments:

- not later than one year		99,056	43,078
- between one year and five years		91,568	43,154
		<u>190,624</u>	<u>86,232</u>

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

Corrimal RSL Memorial Club Ltd

ABN 83 000 872 033

Notes to the Financial Statements

For the Year Ended 31 December 2014

15 Capital and Leasing Commitments (Continued)

(b) Operating Leases

	2014	2013
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	54,437	58,654
- between one year and five years	11,391	57,787
	<u>65,828</u>	<u>116,441</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.

(c) Contracted Commitments

Contracted commitments for:

Capital works	-	257,958
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16 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company was \$ 118,712 (2013: \$ 104,577).

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 2014 (2013: \$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 2014

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.

	2014	2013
	\$	\$
Payment made to director controlled entity for building services	<u>9,065</u>	<u>52,110</u>

19 Events Occurring After the Reporting Date

The financial report was authorised for issue on 25 February 2015 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 6 to 25, 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 2014 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 25 February 2015

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 2014, 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 2014 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*.

Daley & Co
Chartered Accountants

Michael Mundt
Partner

Wollongong

25 February 2015

Liability limited by a scheme approved under Professional Standards Legislation.

Compilation Report to Corrimal RSL Memorial Club Ltd

We have compiled the accompanying special purpose financial statements of Corrimal RSL Memorial Club Limited, which comprises the attached profit and loss statements for the year ended 31 December 2014. The specific purpose for which the special purpose financial statement has been prepared is to provide additional financial information to members.

The Responsibility of the Directors

The directors are solely responsible for the information contained in the special purpose financial statements and have determined that the financial reporting framework used is appropriate to meet the needs of members and for the purpose that the financial statements were prepared.

Our responsibility

On the basis of information provided by the directors, we have compiled the accompanying special purpose financial statement in accordance with the basis of accounting and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided, into compiling the financial statement. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed. No person should rely on the special purpose financial statement without having an audit or review conducted.

The special purpose financial statements were prepared for the benefit of the company and its members and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

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Daley & Co
Chartered Accountants
98 Kembla Street
Wollongong NSW 2500

25 February 2015

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Corrimal RSL Snooker Club
Profit and Loss Statement
For the year ended 31 December 2014

	\$
Income	
Player Fees	200
Sponsorship Income	2,600
Total Income	<u>2,800</u>
Expenses	
Registration Fees	(948)
Catering	(571)
Uniforms	(173)
Honour Board	(65)
Repairs and Maintenance	(87)
Total Expense	<u>(1,844)</u>
Net Result	<u>956</u>

Corrimal RSL Darts Club
Profit and Loss Statement
For the year ended 31 December 2014

	\$
Income	
Income	2,638
Total Income	<u>2,638</u>
Expenses	
Catering	(2,056)
Repairs and Maintenance	(280)
Bank Fees	(10)
Printing and Stationery	(4)
Equipment	(340)
Prizes	(255)
Total Expense	<u>(2,945)</u>
Net Result	<u>(307)</u>