

Deniliquin RSL Club Ltd

ABN: 22 001 055 698

Financial Statements

For the Year Ended December 31, 2016

Deniliquin RSL Club Ltd

ABN: 22 001 055 698

For the Year Ended December 31, 2016

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Deniliquin RSL Club Ltd

ABN: 22 001 055 698

Independent Audit Report to the members of Deniliquin RSL Club Ltd

Report on the Financial Report

We have audited the accompanying financial report of Deniliquin RSL Club Ltd, which comprises the statement of financial position as at December 31, 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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.

Deniliquin RSL Club Ltd

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Independent Audit Report to the members of Deniliquin RSL Club Ltd Independence

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

Opinion

In our opinion the financial report of Deniliquin RSL 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 December 31, 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1h Employee Benefits which describes the basis of accounting for annual and long service leave. This policy is not consistent with the financial reporting standard on this liability (AASB 119 Employee Benefits).

Without modifying our opinion, we draw attention to Note 1i Revenue which describes the basis of accounting for grant revenue. This policy is not consistent with the financial reporting standard on this item (AASB 120 Accounting for Government Grants and Disclosure of Government Assistance).

The financial report is prepared to assist Deniliquin RSL Club Ltd to meet the needs of its members and directors. As a result, the financial report may not be suitable for another purpose.

Brian McCleary (RCA 665)

Brian McCleary & Co

Deniliquin

28 February 2017

Deniliquin RSL Club Ltd

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Directors' Report

December 31, 2016

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

1. General information

Directors

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

Names	Appointed/Resigned
John L Jansen	
Glen Nethercote	
Marie A Cherry	
Benjamin Danckert	Appointed 27/09/2016
David J McGee	
Michael A Pisasale	Resigned 25/10/2016
Anthony P Smith	Resigned 25/10/2016
Martin Wilmshurst	Appointed 24/01/2017

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

Company Secretary

The following person held the position of company secretary at the end of the financial year:

David C Hart - 24/06/2013 to present.

Principal Activities

The principal activities of Deniliquin RSL Club Ltd during the financial year were operations of a NSW registered club.

No significant change in the nature of these activities occurred during the financial year.

2. Business review

Operating Results

The profit from ordinary activities after providing for income tax amounted to \$ 344,014(2015: \$160,698).

3. Other items

Significant Changes in State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

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Directors' Report

December 31, 2016

3. Other items continued

After balance day events

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.

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out at page 7.

4. Financial review

Financial position

The net assets of Deniliquin RSL Club Ltd have increased by \$ 347,979 from 31 December 2015 to \$ 8,174,917 at December 31, 2016.

Remuneration Policy

This report details the nature and amount of remuneration for each director of Deniliquin RSL Club Ltd, and for the executives receiving the highest remuneration.

Anthony P Smith as Charmain's honorarium \$4,000.

John L Jansen as Charmain's honorarium \$4,000.

David Hart as CEO and company secretary \$120,000 - 130,000

Indemnifying Officers or Auditors

The company has paid premiums to insure its directors against liability for cost and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Deniliquin RSL Club Ltd

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Directors' Report

December 31, 2016

Director Information

Meetings of directors

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

Deniliquin RSL Club Ltd

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Directors' Report

December 31, 2016

Meetings of directors continued

	Directors' Meetings	
	Number eligible to attend	Number attended
John Jansen	12	12
Glen Nethercote	12	11
Marie Cherry	12	11
Benjamin Danckert	4	4
David McGee	12	12
Michael Pisasale	10	9
Anthony Smith	10	8
Martin Wilmshurst	-	-

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

Director:
John L Jansen

Director:
Glen Nethercote

Dated 28 February 2017

Deniliquin RSL Club Ltd

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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2016 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Brian McCleary (RCA 665)

Brian McCleary & Co

28 February 2017

Deniliquin

Deniliquin RSL Club Ltd

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Statement of Comprehensive Income

For the Year Ended December 31, 2016

		2016	2015
	Note	\$	\$
Revenue	3	7,253,053	6,854,722
Other income	3	253,000	-
Raw materials and consumables used		(2,097,865)	(1,965,220)
Employee benefits expense		(2,255,705)	(2,190,059)
Depreciation and amortisation expense		(770,400)	(517,327)
Members benefit expense		(356,349)	(347,334)
Marketing expense		(133,169)	(140,845)
Donations expense		(61,332)	(63,311)
Administration expense		(89,456)	(114,391)
Occupancy expense		(940,034)	(893,511)
Profit/(Loss) on sale of fixed assets		(9,349)	(4,752)
Other expenses		(439,456)	(422,175)
Finance costs		(8,924)	(9,466)
Profit before income tax		344,014	186,331
Income tax expense		-	-
Profit from continuing operations		344,014	186,331
Fair value adjustment		-	(25,633)
Prior year adjustment		3,965	29,032
Total comprehensive income for the year		347,979	189,730
Total comprehensive income for the year		347,979	189,730

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Statement of Financial Position

December 31, 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,509,141	1,217,793
Trade and other receivables	5	144,573	51,302
Inventories	6	112,743	102,905
Other assets	7	112,677	71,411
TOTAL CURRENT ASSETS		<u>1,879,134</u>	<u>1,443,411</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	6,546,681	6,626,958
Investment property	9	665,000	665,000
Intangible assets	10	73,276	73,276
TOTAL NON-CURRENT ASSETS		<u>7,284,957</u>	<u>7,365,234</u>
TOTAL ASSETS		<u>9,164,091</u>	<u>8,808,645</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	598,997	526,856
Borrowings	12	2,362	92,833
Short-term provisions	13	216,143	193,937
Other financial liabilities	14	52,493	39,388
TOTAL CURRENT LIABILITIES		<u>869,995</u>	<u>853,014</u>
NON-CURRENT LIABILITIES			
Long-term provisions	13	119,179	128,693
TOTAL NON-CURRENT LIABILITIES		<u>119,179</u>	<u>128,693</u>
TOTAL LIABILITIES		<u>989,174</u>	<u>981,707</u>
NET ASSETS		<u>8,174,917</u>	<u>7,826,938</u>
EQUITY			
Retained earnings		<u>8,174,917</u>	<u>7,826,938</u>
TOTAL EQUITY		<u>8,174,917</u>	<u>7,826,938</u>

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Statement of Changes in Equity

For the Year Ended December 31, 2016

2016

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2016	7,826,938	7,826,938
Profit attributable to members of the entity	344,014	344,014
Prior year adjustment	3,965	3,965
Balance at 31 December 2016	<u>8,174,917</u>	<u>8,174,917</u>

2015

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2015	7,637,208	7,637,208
Profit attributable to members of the entity	160,698	160,698
Prior year adjustment	29,032	29,032
Balance at 31 December 2015	<u>7,826,938</u>	<u>7,826,938</u>

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Statement of Cash Flows

For the Year Ended December 31, 2016

	2016	2015
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	7,079,635	6,801,272
Payments to suppliers and employees	(6,309,176)	(5,892,248)
Interest received	14,004	17,836
Interest paid	(8,924)	(3,110)
Rents received	56,489	52,171
Net cash provided by (used in) operating activities	18 <u>832,028</u>	<u>975,921</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	105	-
Proceeds from capital grant funding	272,284	-
Purchase of property, plant and equipment	(722,598)	(665,311)
Net cash used by investing activities	<u>(450,209)</u>	<u>(665,311)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(90,471)	(169,678)
Net cash used by financing activities	<u>(90,471)</u>	<u>(169,678)</u>
Net increase (decrease) in cash and cash equivalents held	291,348	140,932
Cash and cash equivalents at beginning of year	1,217,793	1,076,861
Cash and cash equivalents at end of financial year	18(a) <u>1,509,141</u>	<u>1,217,793</u>

Deniliquin RSL Club Ltd

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Notes to the Financial Statements

For the Year Ended December 31, 2016

1 Summary of Significant Accounting Policies

(a) General Information

The financial report is for Deniliquin RSL Club Ltd as an individual entity, incorporated and domiciled in Australia. Deniliquin RSL Club Ltd is a company limited by guarantee.

(b) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

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

(c) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held-at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

(f) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their cost, less subsequent depreciation & impairment losses for buildings.

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Notes to the Financial Statements

For the Year Ended December 31, 2016

1 Summary of Significant Accounting Policies continued

(f) Property, Plant and Equipment continued

Plant and equipment

Plant and equipment are measured on the cost basis.

Depreciation

The depreciable amount of all fixed assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

The depreciation on fixed assets acquired with grant funding has been fully expensed in the year which the asset became available for use.

(g) Investment Property (fair value)

Investment property, comprising of residential and commercial property, is held to generate long-term rental yields. All tenant leases are on an arms length basis. Investment property is carried at fair value, determined by independent valuers. Increases and decreases in the fair value are recorded in the statement of profit or loss as other income and depreciation, amortisation and impairment expense.

(h) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to Balance Sheet date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled. Long service leave entitlements are recognised as liabilities of the company once the employee reaches 5 years service of employment.

(i) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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Notes to the Financial Statements

For the Year Ended December 31, 2016

1 Summary of Significant Accounting Policies continued

(i) Revenue and Other Income continued

Revenue from investment properties is recognised on an accruals basis or straight-line basis in accordance with lease agreements.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the reporting date and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to income at fair value in the year where the asset has been acquired.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) Income Tax

The company adopts the principal or mutuality in relation to income and expenditure. This means that the company is taxable to the extent of net income from non members after allowing statutory income and specific expenses. Income tax is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred income tax assets have not been recognised as it is not probable that future tax profits will recoup tax losses carried forward from prior years.

(l) Financial Instruments

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Deniliquin RSL Club Ltd

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Notes to the Financial Statements

For the Year Ended December 31, 2016

1 Summary of Significant Accounting Policies continued

(l) Financial Instruments continued

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the company's intention to hold these investments to maturity. Any held-to-maturity investments held by the company are stated at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions,

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of profit or loss.

(m) Rounding of Amounts

The company has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest \$ 1.

(n) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the company.

Key estimates - Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may be indicative of impairment triggers. Where an impairment trigger exists, the recoverable amount of the asset is determined.

Deniliquin RSL Club Ltd

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Notes to the Financial Statements

For the Year Ended December 31, 2016

1 Summary of Significant Accounting Policies continued

(n) Critical Accounting Estimates and Judgments continued

Key judgments - Doubtful debt provisions

The directors have included a doubtful debt provision of \$1,200 as it is not probable that all receivables at the balance date will be collected.

Deniliquin RSL Club Ltd

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Notes to the Financial Statements

For the Year Ended December 31, 2016

2 Auditors' Remuneration

	2016	2015
	\$	\$
Remuneration of the auditor of the company for:		
- Auditing and reviewing the financial report	14,100	14,340
- Taxation, financial reporting and consulting services	11,873	9,010

3 Revenue and Other Income

	2016	2015
	\$	\$
Sales revenue		
- Sale of goods and gaming	6,752,332	6,446,539
- Rental income	56,489	52,171
- Member subscriptions	59,792	60,657
- Commissions	74,142	72,467
- Other income	295,836	208,011
- Interest income	14,464	14,877
Total Revenue	<u>7,253,055</u>	<u>6,854,722</u>
Other revenue		
- Government grants	253,000	-
	<u>253,000</u>	<u>-</u>

4 Cash and Cash Equivalents

	2016	2015
	\$	\$
Cash on hand	312,758	291,007
Cash at bank	639,738	383,960
Short-term bank deposits	556,645	542,826
	<u>1,509,141</u>	<u>1,217,793</u>

5 Trade and other receivables

	2016	2015
	\$	\$
CURRENT		
Trade receivables	135,773	43,895
Provision for impairment	(1,200)	(1,200)
Deposits	10,000	8,607

Deniliquin RSL Club Ltd

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Notes to the Financial Statements

For the Year Ended December 31, 2016

5 Trade and other receivables continued

	2016	2015
	\$	\$
Total current trade and other receivables	<u>144,573</u>	<u>51,302</u>

6 Inventories

	2016	2015
	\$	\$
CURRENT		
At Cost		
Inventories	<u>112,743</u>	<u>102,905</u>
	<u>112,743</u>	<u>102,905</u>

7 Other Assets

	2016	2015
	\$	\$
CURRENT		
Prepayments	<u>110,478</u>	<u>69,672</u>
Accrued income	<u>2,199</u>	<u>1,739</u>
	<u>112,677</u>	<u>71,411</u>

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Notes to the Financial Statements

For the Year Ended December 31, 2016

8 Property, Plant and Equipment

	2016	2015
	\$	\$
LAND AND BUILDINGS		
Freehold land		
Land and Buildings		
At cost	10,740,905	10,575,808
Accumulated depreciation	(5,848,656)	(5,700,953)
Total land and buildings	<u>4,892,249</u>	<u>4,874,855</u>
Total land and buildings	<u>4,892,249</u>	<u>4,874,855</u>
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	15,700	116,022
Total capital works in progress	<u>15,700</u>	<u>116,022</u>
Plant and equipment		
At cost	7,413,556	6,965,667
Accumulated depreciation	(5,774,824)	(5,329,586)
Total plant and equipment	<u>1,654,432</u>	<u>1,752,103</u>
Total property, plant and equipment	<u><u>6,546,681</u></u>	<u><u>6,626,958</u></u>

(a) Movements in Carrying Amounts

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

	Capital Works in Progress	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
Balance at the beginning of year	116,022	4,874,856	1,636,080	6,626,958
Additions	15,700	78,097	626,580	720,377
Disposals	-	105	(9,349)	(9,244)
Transfers	(116,022)	87,000	29,022	-
Depreciation expense	-	(153,378)	(617,022)	(770,400)
Adjustment	-	5,570	(26,580)	(21,010)
Carrying amount at the end of December 31, 2016	<u>15,700</u>	<u>4,892,250</u>	<u>1,638,731</u>	<u>6,546,681</u>

As part of reclassifications within the company asset register, there have been assets moved between Buildings and Plant & Equipment.

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Notes to the Financial Statements

For the Year Ended December 31, 2016

9 Investment Property

	2016	2015
	\$	\$
Balance at beginning of year	665,000	771,958
Transfers (to) from property, plant and equipment	-	(87,000)
Fair Value adjustments	-	(19,958)
Balance at end of year	<u>665,000</u>	<u>665,000</u>

(a) Valuations

The investment property was valued as at 31 December 2015 by independent registered valuers - Herron Todd White. The above stated value has been adopted as fair value by the company for its investment properties held in Duncan and End Street Deniliquin.

10 Intangible Assets

Other intangible assets		
Cost	73,276	73,276
Total Intangibles	<u>73,276</u>	<u>73,276</u>

The investment of \$73,276 represents the purchase price of 6 gaming machine entitlements acquired during the 2013 year. The club holds 104 gaming machine entitlements that were acquired for NIL cost and are not able to be recorded as an intangible asset.

11 Trade and other payables

	2016	2015
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	485,117	375,234
Sundry payables and accrued expenses	<u>113,880</u>	<u>151,622</u>
	<u>598,997</u>	<u>526,856</u>
	<u>598,997</u>	<u>526,856</u>

12 Borrowings

2016	2015
\$	\$

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Notes to the Financial Statements

For the Year Ended December 31, 2016

12 Borrowings continued

	2016	2015
	\$	\$
CURRENT		
Other loans	-	27,934
Bank loans	2,362	64,899
	<u>2,362</u>	<u>92,833</u>

(a) Total current and non-current secured liabilities

	2016	2015
	\$	\$
Bank loans	2,362	64,899
	<u>2,362</u>	<u>64,899</u>

(b) Bank loan facility limits

	2016	2015
	\$	\$
Overdraft facilities	100,000	100,000
Loan facilities	52,916	76,290
	<u>152,916</u>	<u>176,290</u>

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Notes to the Financial Statements

For the Year Ended December 31, 2016

The overdraft limit of \$100,000 is secured by the registered debenture over the assets of the club.

The bank loan is secured by a registered debenture over all company assets, and a first mortgage against real property owned by the company, being 305 Duncan Street Deniliquin and 98 End Street Deniliquin. The loan has a redraw facility on this loan which remains in place.

Credit cards - approved limit on 4 cards is combined \$15,000.

13 Provisions

	Employee entitlements \$	Total \$
Opening balance at 1 January 2016	322,630	322,630
Additional provisions	12,692	12,692
Balance at 31 December 2016	335,322	335,322

Analysis of total provisions

	2016 \$	2015 \$
Current	216,143	193,937
Non-current	119,179	128,693
	335,322	322,630

14 Other Liabilities

	2016 \$	2015 \$
CURRENT		
Advances from other organisations	22,284	-
Poker machine rebates& link liability	17,601	13,192
Subs in advance	12,007	16,364
Other deferred income	601	9,832
Total	52,493	39,388

Deniliquin RSL Club Ltd

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Notes to the Financial Statements

For the Year Ended December 31, 2016

15 Capital and Leasing Commitments

(a) Finance Lease Commitments

There are no finance lease commitments.

(b) Capital Expenditure Commitments

Capital expenditure commitments
contracted for:

Plant and equipment	-	40,000
	-	40,000
Payable:		
- not later than 12 months	-	40,000
	-	40,000

16 Contingent Liabilities and Contingent Assets

Contingent Liability - As part of their operation agreement, the company has a \$5,000 bank guarantee drawn in favour of TAB Limited.

Contingent Liability - capital grant. If certain conditions of the kitchen upgrade grant received are breached, it could result in the grant being repayable to the Government. The directors intend to continue trading as a registered club, and meeting the conditions of this agreement.

With the exception of the above, the company does not have any contingent liabilities or assets as determined by the board.

17 Related party transactions

Transactions between related parties other than the listed Inner Clubs below, are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Deniliquin RSL Club Ltd

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Notes to the Financial Statements

For the Year Ended December 31, 2016

17 Related party transactions continued

(a) Identification of Related Parties

Director

David McGee - lawn mowing and maintenance services

Ultimate parent entity

Deniliquin RSL Club Ltd

Inner Clubs forming part of the report

RSL Fishing Club, RSL Summer Bowls, Deniliquin RSL Bowling Club, RSL Thursday Bowls, RSL Sunday Bowls, RSL Lifeball, Deniliquin Rhinos Cricket Club, RSL Rock 'N' Roll Club, RSL Squash Club, Dibba, Golden Rivers RSL Boxing Club.

Deniliquin RSL Club Ltd

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Notes to the Financial Statements

For the Year Ended December 31, 2016

18 Cash Flow Information

(a) Reconciliation of cash

	Note	2016 \$	2015 \$
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:			
Cash and cash equivalents	4	<u>1,509,141</u>	1,217,793
		<u>1,509,141</u>	<u>1,217,793</u>

(b) Reconciliation of Cash Flow from Operations with Profit

	2016 \$	2015 \$
Net income/loss for the period	344,014	189,730
Capital Grant Funding	(250,000)	-
Non-cash flows in profit		
Depreciation	770,400	517,327
Impairment of property, plant and equipment	-	25,632
Net (profit) / loss on disposal of property, plant and equipment	9,244	4,752
Changes in assets and liabilities		
(Increase)/decrease in trade receivables	(102,372)	29,219
(Increase)/decrease in prepayments	(41,266)	22,701
(Increase)/decrease in inventories	(9,838)	(12,183)
Increase/(decrease) in trade payables and accruals	108,333	151,657
Increase/(decrease) in other liabilities	(9,179)	(592)
Increase/(decrease) in provisions	12,692	47,678
	<u>832,028</u>	<u>975,921</u>

Deniliquin RSL Club Ltd

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Notes to the Financial Statements

For the Year Ended December 31, 2016

19 Financial Risk Management

(a) Effective interest rates and re-pricing analysis

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the statement of financial position date and the periods in which they reprice.

	2016		2015	
	Total	Within 12 months	Total	Within 12 months
	\$	\$	\$	\$
Cash and cash equivalents	1,509,141	1,509,141	1,217,793	1,217,793
Secured Bank Loans:				
Loans	(2,362)	(2,362)	(64,899)	(64,899)
Loan from suppliers	-	-	(27,934)	(27,934)
Total	1,506,779	1,506,779	1,124,960	1,124,960

Deniliquin RSL Club Ltd

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Notes to the Financial Statements

For the Year Ended December 31, 2016

19 Financial Risk Management continued

Net fair values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

	2016		2015	
	Net Carrying Value	Net Fair value	Net Carrying Value	Net Fair value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	1,509,141	1,509,141	1,217,793	1,217,793
Trade and other receivables	135,773	134,573	52,502	51,302
Total financial assets	1,644,914	1,643,714	1,270,295	1,269,095
Financial liabilities				
Trade and other payables	598,996	598,996	526,856	526,856
Bank debt	2,362	2,362	64,899	64,899
Other loans	-	-	27,934	27,934
Total financial liabilities	601,358	601,358	619,689	619,689

20 Members' Guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$ 10 each towards meeting any outstandings and obligations of the company. At December 31, 2016 the number of members was 6,420 (2015: 6,187).

21 Events After the Balance Sheet Date

(a) The financial report was authorised for issue on 28 February 2017 by the board of directors.

Deniliquin RSL Club Ltd

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Notes to the Financial Statements

For the Year Ended December 31, 2016

22 Company Details

Registered office

The registered office of the company is:

Deniliquin RSL Club Ltd

72 End Street

Deniliquin NSW 2710

Deniliquin RSL Club Ltd

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Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 8 to 28, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 31 December 2016 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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

Director
John L Jansen

Director
Glen Nethercote

Dated February 28, 2017