

Concord RSL & Community Club Limited

ABN 16 000 977 944

Financial Report for the Year Ended 31 December 2016

Concord RSL & Community Club Limited

Directors' report

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

Directors

The names of the directors in office at any time during, or since the end of, the year are:

- R. Turner
- E. Maronese (Resigned 27th February 2017)
- J. Younie
- F. Madden (Resigned 27th February 2017)
- E. Tait (Ceased as Director 29th May 2016)
- R. O'Grady (Resigned 27th February 2017)
- M. Gentile (Ceased as Director 29th May 2016)
- T. Burraston (Appointed 26th February 2016) (Resigned 27th February 2017)
- L. Butt (Resigned 29th February 2016)
- L. Costelow (Appointed 29th May 2016)
- A. Gathercole (Appointed 29th May 2016)
- V. Fish (Appointed 29th May 2016)
- B. Newman (Appointed 23rd March 2017)

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

Principal Activities

The principal activities of the company during the financial year were to promote sporting, community and social activities and to provide the facilities of a licensed club.

Short-term and Long-term Objectives

The company's short term objectives are to:

- Increase Membership
- Improve Revenue

The company's long term objectives are to:

- To develop a venue which will be attractive to a broader community

Strategies

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

- To provide a range of facilities and services to meet the needs of the changing demographic and Interest groups

Key Performance Measures

The Club undertakes weekly financial analysis both as a safeguard and performance measurement tool. The annual budget is analysed monthly to benchmark actual performance against those foreseen at the commencement of the year.

Concord RSL & Community Club Limited

Information on Directors

R. Turner	—	President
Qualifications	—	Retired Senior Technical Officer Dept of Defence
Experience	—	16 year Club Member. 12 year Board Member
E. Maronese	—	Vice President
Qualifications	—	Licensed Real Estate Agent and Property Valuer
Experience	—	13 year Club Member. 5 year Board Member
J. Younie	—	Vice President
Qualifications	—	Retired Bank Officer with 35 years service
Experience	—	13 year Club Member. 4 year Board Member.
E. Tait	—	Director
Qualifications	—	Retired Quality Control Inspector and Tool Setter
Experience	—	50 year Club Member. 17 year Board Member
R. O'Grady	—	Director
Qualifications	—	Retired Sergeant NSW Police Force with 36 years service
Experience	—	31 year Club Member. 12 year Board Member
F. Madden	—	Director
Qualifications	—	Retired Telstra Depot Manager with 42 years service
Experience	—	48 year Club Member. 16 year Board Member
M. Gentile	—	Director
Qualifications	—	Telstra Project Manager
Experience	—	8 year Club Member. 1 year Board Member
T. Burraston	—	Director
Qualifications	—	Industrial Relations Manager
Experience	—	17 year Club Member. 1 year Board Member
L. Costelow	—	Director
Qualifications	—	Retired Business Manager. 9 years AIF
Experience	—	18 year Club Member. 1 Year Board Member
L. Butt	—	Vice President
Qualifications	—	Training Facilities Manager and Marine Engineer
Experience	—	4 year Club Member. 1 Year Board Member
B. Newman	—	Director
Qualifications	—	Retired Bookkeeper, 17 years Concord Meals on Wheels
Experience	—	19 year Club Member. 3 month Board Member
V. Fish	—	Director
Qualifications	—	Painter
Experience	—	25 year Club Member. 1 year Board Member
A. Gathercole	—	Director
Qualifications	—	Chief Petty Officer RAN with 15 years service
Experience	—	2 year Club Member. 1 year Board Member

Concord RSL & Community Club Limited

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

	Directors' Meetings	
	Number eligible to attend	Number attended
R. Turner	14	14
E. Maronese	14	13
J. Younie	14	13
F. Madden	14	14
E. Tait	6	6
R. O'Grady	14	14
M. Gentile	6	5
T. Burraston	11	10
L. Butt	1	0
L. Costelow	8	8
A. Gathercole	8	1
V. Fish	8	8
Paul Bourke (Company Secretary)	14	14

Membership

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 outstanding obligations of the company. At 31 December 2016, the total amount that members of the company are liable to contribute if the company is wound up is \$22,650 (2016: 23,850).

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 5.

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



President: Robert Turner

Dated this 5th day of May 2017

Concord RSL & Community Club Limited

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF CONCORD RSL & COMMUNITY CLUB LIMITED**

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.

Pritchard Lees Chartered Accountants



Rob Lees

Level 15, St Martins Tower, 31 Market Street, Sydney NSW 2000

Date: 8 May 2017

Concord RSL & Community Club Limited

**Statement of Profit or Loss and Other Comprehensive Income
for year ended 31 December 2016**

	Note	2016	2015
		\$	\$
Revenue	2	2,491,749	2,561,310
Cost of sales		(262,987)	(254,453)
Employee benefits expense		(1,012,408)	(952,792)
Social functions expense		(216,000)	(214,311)
Depreciation expense	3	(125,760)	(125,850)
Clubhouse expense		(844,838)	(853,383)
Finance costs	3	(6,153)	(6,554)
Poker machine tax and analysis		(170,602)	(197,663)
Other expenses		(103,495)	(109,033)
Profit (loss) before income tax		(250,494)	(152,729)
Income tax (expense)/benefit	1a	-	-
Profit (loss) for the year		(250,494)	(152,729)
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		(250,494)	(152,729)
Total comprehensive income (loss) attributable to:			
Members of the entity		(250,494)	(152,729)

The accompanying notes form part of these financial statements.

Concord RSL & Community Club Limited

Statement of Financial Position as at 31 December 2016

	Note	2016	2015
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	102,374	99,894
Trade and other receivables	6	5,900	5,385
Inventories	7	37,105	29,859
Other assets	8	25,142	24,391
TOTAL CURRENT ASSETS		170,521	159,530
NON-CURRENT ASSETS			
Property, plant and equipment	9	735,628	857,640
TOTAL NON-CURRENT ASSETS		735,628	857,640
TOTAL ASSETS		906,149	1,017,170
CURRENT LIABILITIES			
Trade and other payables	10	318,258	287,391
Financial liabilities	11	289,991	186,953
Other liabilities	13	1,050	1,605
TOTAL CURRENT LIABILITIES		609,299	475,949
NON-CURRENT LIABILITIES			
Financial liabilities	11	18,184	12,882
Long-term provisions	12	49,882	49,061
TOTAL NON-CURRENT LIABILITIES		68,066	61,943
TOTAL LIABILITIES		677,365	537,892
NET ASSETS		228,784	479,278
EQUITY			
Reserves	14	142,550	142,550
Retained earnings		86,234	336,728
TOTAL EQUITY		228,784	479,278

The accompanying notes form part of these financial statements.

Concord RSL & Community Club Limited

Statement of Changes in Equity for the year ended 31 December 2016

	Reserves	Retained Earnings	Total
	\$	\$	\$
Balance at 1 January 2015	142,550	489,457	632,007
Profit (loss) attributable to the entity	-	(152,729)	(152,729)
Balance at 31 December 2015	142,550	336,728	479,278
Profit (loss) attributable to the entity	-	(250,494)	(250,494)
Balance at 31 December 2016	142,550	86,234	228,784

The accompanying notes form part of these financial statements.

Concord RSL & Community Club Limited

Statement of Cash Flows for the year ended 31 December 2016

	Note	2016	2015
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,521,788	2,590,133
Payments to suppliers and employees		(2,617,839)	(2,578,711)
Interest received		92	346
Finance costs		(6,153)	(6,554)
Net cash provided by (used in) operating activities		(102,112)	5,214
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(3,748)	(5,643)
Net cash provided by (used in) investing activities		(3,748)	(5,643)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		180,000	
Repayment of borrowings		(71,660)	(10,711)
Net cash provided by (used in) financing activities		108,340	(10,711)
Net increase (decrease) in cash and cash equivalents held		2,480	(11,140)
Cash and cash equivalents at beginning of financial year		99,895	111,035
Cash and cash equivalents at end of financial year	5	102,374	99,895

The accompanying notes form part of these financial statements.

Concord RSL & Community Club Limited

Notes to the financial statements for the year ended 31 December 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are for Concord RSL & Community Club Limited (the company) as an individual entity, incorporated and domiciled in Australia. Concord RSL & Community Club Limited is a company limited by guarantee.

The company applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010–2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

a. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside the profit and loss when the tax relates to items that are recognised outside the profit and loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. As a result, no deferred tax assets were recognised in relation to the tax losses.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Concord RSL & Community Club Limited

Notes to the financial statements for the year ended 31 December 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Under the concept of mutuality, clubs are only assessed for income tax on that proportion of income derived from non-members and other external sources.

b. Inventories

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

c. 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

Buildings are measured on the cost basis less accumulated depreciation and impairment losses.

The carrying amount of land and buildings are reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

Plant and equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings, plant and equipment and capitalised lease 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. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Depreciation is recognised in the statement of comprehensive income.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

d. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to entities in 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.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line

Concord RSL & Community Club Limited

Notes to the financial statements for the year ended 31 December 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

basis over the life of the lease term.

e. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to statement of comprehensive income immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of comprehensive income.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *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 subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after reporting date, which will be classified as non-current assets.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after reporting date, which will be classified as current assets.

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of

Concord RSL & Community Club Limited

Notes to the financial statements for the year ended 31 December 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after reporting date, which will be classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, 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 significant or 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 comprehensive income.

Financial guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using the probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year's period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in statement of comprehensive income.

f. **Impairment of Assets**

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

g. **Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been

Concord RSL & Community Club Limited

Notes to the financial statements for the year ended 31 December 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year 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 not satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

h. Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at reporting date.

i. 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. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

j. Revenue and Other Income

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 using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

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

k. Trade and Other Payables

Trade and other payables represent the liability outstanding at reporting date for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

l. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

m. 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 Australian Taxation 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.

n. Comparative Figures

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

Concord RSL & Community Club Limited

Notes to the financial statements for the year ended 31 December 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

o. Accounting Estimates and Judgments

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

p. Going Concern

Despite the operating loss which has occurred for several years, the directors have concluded that the company can continue as a going concern based on the following:

- i) The company possesses 46 poker machine entitlements which have an estimated market value in the proximity of \$552,000. Those entitlements were not recorded in the statement of financial position but could be sold to cover any cash shortfall.
- ii) The Concord District RSL Sub-Branch will continue to provide from time to time financial support by way of loan advances as may be necessary to enable the company to continue to trade and to meet its unsecured trading liabilities when they fall due.
- iii) A development proposal is under consideration where the developer will provide necessary finance for the company to continue normal trading operation.

The financial report was authorised for issue on the date shown in the directors' declaration.

Concord RSL & Community Club Limited

Notes to the financial statements for the year ended 31 December 2016

NOTE 2: REVENUE AND OTHER INCOME

	Note	2016	2015
		\$	\$
Sales revenue:			
— bar revenue		571,765	530,274
— poker machine net income		1,281,034	1,369,950
		1,852,799	1,900,224
Other revenue:			
— commission – Keno		26,308	23,369
— commission – TAB		8,812	10,881
— interest received		92	346
— members subscriptions		9,336	8,599
— promotions and functions		174,248	178,286
— bistro		361,267	355,433
— greens access fees		25,725	20,761
— insurance claims		-	30,696
— sundries		33,162	32,715
		638,950	661,086
Total revenue		2,491,749	2,561,310

NOTE 3: PROFIT BEFORE INCOME TAX

	Note	2016	2015
		\$	\$
a. Expenses			
Cost of sales		262,987	254,453
Interest expenses on financial liabilities not at fair value through profit or loss		6,153	6,554
Other expenses:			
Depreciation		125,760	125,850
Rental expense on operating leases		72,000	72,000
Auditor's remuneration			
- auditing services		8,972	7,545
- other services		1,160	1,090

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

	2016	2015
	\$	\$
Key Management Personnel Compensation	87,013	85,397

Concord RSL & Community Club Limited

Notes to the financial statements for the year ended 31 December 2016

NOTE 5: CASH AND CASH EQUIVALENTS

	Note	2016	2015
		\$	\$
CURRENT			
Cash at bank and in hand		94,675	92,284
Short-term bank deposits		7,699	7,610
	19	102,374	99,894
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents		102,374	111,036
		102,374	111,036

NOTE 6: TRADE AND OTHER RECEIVABLES

		2016	2015
		\$	\$
CURRENT			
Other receivables		5,900	5,385

NOTE 7: INVENTORIES

		2016	2015
		\$	\$
CURRENT			
At cost:			
— liquor and other beverages		37,105	29,859

NOTE 8: OTHER ASSETS

		2016	2015
		\$	\$
CURRENT			
Prepayments		25,142	24,391

Concord RSL & Community Club Limited

Notes to the financial statements for the year ended 31 December 2016

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	2016	2015
	\$	\$
LAND AND BUILDINGS		
Freehold land:		
— at cost	-	-
Total land	-	-
Leasehold improvements:		
— at cost	1,565,680	1,565,680
Accumulated depreciation	(936,234)	(888,234)
Total Leasehold improvements	629,446	677,446
Total land and buildings	629,446	677,446
PLANT AND EQUIPMENT		
Plant and equipment at:		
— independent valuation 2005	3,277,780	3,277,780
— cost	562,763	559,015
Accumulated depreciation	(3,734,361)	(3,656,601)
	106,182	180,194
Leased plant and equipment:		
Capitalised leased assets at cost	-	-
Accumulated amortisation	-	-
	-	-
Total plant and equipment	106,182	180,194
Total property, plant and equipment	735,628	857,640

Concord RSL & Community Club Limited

Notes to the financial statements for the year ended 31 December 2016

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Leasehold Improvement	Plant and Equipment	Leased Plant and Equipment	Total
	\$	\$	\$	\$	\$
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.					
Carrying amount at 1 January 2016	-	677,446	180,194	-	857,640
Additions			3,748		3,748
Depreciation / Amortisation expense		(48,000)	(77,760)		(125,760)
Disposals					
Carrying amount at 31 December 2016	-	629,446	106,182	-	735,628

b. Valuation basis

The independent valuations of the company's plant and equipment were carried out in April 2005 on the basis of open market value for existing use.

NOTE 10: TRADE AND OTHER PAYABLES

	Note	2016	2015
		\$	\$
CURRENT			
Unsecured liabilities			
Trade payables		83,488	67,915
Sundry payables and accrued expenses		124,275	103,772
Employee benefits		110,495	115,704
		318,258	287,391

Concord RSL & Community Club Limited

Notes to the financial statements for the year ended 31 December 2016

NOTE 11: FINANCIAL LIABILITIES

	Note	2016 \$	2015 \$
CURRENT			
Hire purchase liability secured		7,440	6,650
Financing agreement secured		76,449	152,898
Other loans		206,102	27,405
Total current financial liabilities		289,991	186,953
NON-CURRENT			
Hire purchase liability secured		5,442	12,882
Financing agreement secured		12,742	-
Total non-current financial liabilities		18,184	12,882
Total financial liabilities	19	308,175	199,835

a. Lease, hire purchase liabilities and financing agreement liabilities are secured by the underlying assets.

NOTE 12: PROVISIONS

	Long-term Employee Benefits \$	Total \$
Opening balance at 1 January 2016	49,061	49,061
Additional provisions raised during year	821	821
Amounts used	-	-
Balance at 31 December 2016	49,882	49,882

	Note	2016 \$	2015 \$
Analysis of total provisions			
Current		-	-
Non-current		49,882	49,061
		49,882	49,061

Provision for long-term employee benefits

A provision has been recognised for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on management's estimate. The measurement and recognition criteria for employee benefits have been included in Note 1g.

NOTE 13: OTHER LIABILITIES

	Note	2016 \$	2015 \$
CURRENT			
Unearned income		1,050	1,605
		1,050	1,605

Concord RSL & Community Club Limited

Notes to the financial statements for the year ended 31 December 2016

NOTE 14: RESERVES

	Note	2016	2015
		\$	\$
Asset revaluation reserve		133,550	133,550
General reserve		9,000	9,000
		142,550	142,550

NOTE 15: CAPITAL AND LEASING COMMITMENTS

	2016	2015
	\$	\$
a. Capital and Financing Commitments		
Payable — minimum finance payments:		
— not later than 12 months	83,889	159,548
— between 12 months and five years	18,184	12,882
— greater than five years	-	-
Minimum finance payments	102,073	172,430

NOTE 16: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Assets

The company possesses 46 poker machine entitlements as at the end of financial year. The value of the poker machine entitlements were not recorded in the statement of financial position. The management estimates its value to be in the proximity of \$552,000 based on current market conditions.

Contingent Liabilities

The company has provided to TAB Limited a bank guarantee of \$5,000 as security deposit for TAB Agency at the club.

NOTE 17: EVENTS AFTER THE REPORTING PERIOD

A development proposal was under consideration by the company. Other than this, there are no matters or circumstances that have arisen since the end to the financial year that have 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 year.

NOTE 18: RELATED PARTY TRANSACTIONS

The directors did not receive remuneration. Paul Bourke, the General Manager, has provided a loan of \$10,000 to the company during the year.

Concord RSL & Community Club Limited

Notes to the financial statements for the year ended 31 December 2016

NOTE 19: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, short-term investments and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2016	2015
		\$	\$
Financial Assets			
Cash and cash equivalents	5	102,374	99,894
Total Financial Assets		102,374	99,894
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	10	318,258	287,391
— Financial liabilities	11	308,175	199,835
Total Financial Liabilities		626,433	487,226

Concord RSL & Community Club Limited

Directors' Declaration

The directors of the company declare that

1. The financial statements and notes, as set out on pages 6 to 22, are in accordance with the *Corporations Act 2001* and:
 - a. comply with 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 company.
2. In the directors' opinion there are reasonable grounds to believe that Concord RSL & Community Club Limited 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: Robert Turner

Dated this *5th* day of *May* 2017

Concord RSL & Community Club Limited

Independent Auditor's Report to the Members of the Company

We have audited the accompanying financial report of Concord RSL & Community Club Limited, which comprises the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards — Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements that, compliance with the Australian Accounting Standards — Reduced Disclosure Requirements ensures that the financial report, comprising the financial statements and notes, complies with Australian Accounting Standards — Reduced Disclosure Requirements.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's Opinion

In our opinion the financial report of Concord RSL & Community Club Limited 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 2016 and of their performance for the year ended on that date; and
- b. complying with Australian Accounting Standards — Reduced Disclosure Requirements (including Australian Accounting Interpretations) as described in Note 1 and the Corporations Regulations 2001.

Concord RSL & Community Club Limited

Independent Auditor's Report to the Members of the Company

Going Concern

Without qualifying our opinion expressed above, attention is drawn to the matter set out in Notes 1(p) concerning the company's ability to continue as a going concern. Despite the operating loss which has occurred for several successive years, the directors concluded that the company has sufficient resources to continue as a going concern.

Pritchard Lees Chartered Accountants



Rob Lees

Level 15, St Martins Tower, 31 Market Street, Sydney NSW 2000

Dated this 8 day of May 2017

Concord RSL & Community Club Limited

Disclaimer on additional financial information

The additional information on the proceeding pages is in accordance with the books and records of Concord RSL & Community Club Limited which have been subjected to the auditing procedures applied in the statutory audit of the company for the year ended 31 December 2016. It will be appreciated that the statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

Pritchard Lees Chartered Accountants



Rob Lees

Level 15, St Martins Tower, 31 Market Street, Sydney NSW 2000

Dated this 8 day of May 2017

Concord RSL & Community Club Limited

**Supplementary Information
Detailed Profit and Loss Statement
for year ended 31 December 2016**

	2016	2015
	\$	\$
Sales		
Bar revenue	571,765	530,274
Less: Cost of Sales		
Opening Stock	29,859	34,671
Purchase	270,233	249,641
Closing Stock	(37,105)	(29,859)
	<hr/>	<hr/>
	262,987	254,453
	<hr/>	<hr/>
Gross Profit from Trading	308,778	275,821
Other Income		
Commissions - Keno	26,308	23,369
Commissions - TAB	8,812	10,881
Poker machine net income	1,281,034	1,369,950
Interest received	92	346
Members subscriptions	9,336	8,599
Promotions and functions	174,248	178,286
Bistro	361,267	355,433
Greens access fees (Bocce)	25,725	20,761
Insurance claims	-	30,696
Sundry income	33,162	32,715
	<hr/>	<hr/>
	1,919,985	2,031,035
	<hr/>	<hr/>
	2,228,763	2,306,856
Less: Expenses		
Accountancy fees	2,530	1,860
Advertising	2,461	3,310
Auditors' remuneration	8,972	8,635
Bank charges	5,533	5,328
Cleaning	97,344	98,981
Computer expenses	4,863	5,143
Consultancy / Reporting	276	150
Depreciation	125,760	125,850
Donations, subscriptions and community support	12,514	17,389
Electricity and gas	95,228	90,191
Fringe benefits tax	4,624	1,019
Fines	946	-
General expenses	9,740	10,135
Greens maintenance	52,000	17,291

Concord RSL & Community Club Limited

**Supplementary Information
Detailed Profit and Loss Statement
for year ended 31 December 2016**

	2016	2015
	\$	\$
Bowling club contribution	(31,200)	-
Insurance	49,265	44,359
Interest	6,153	6,554
Catering	195,289	194,472
Management and staff costs	12,518	12,305
Motor vehicle expenses	5,677	7,093
Payroll tax	8,270	6,291
Poker machine analysis	53,863	54,260
Poker machine tax	116,739	143,403
Printing, postage and stationery	32,948	26,503
Promotions, functions and member benefits	216,000	214,311
Provision for employee entitlements	(4,388)	22,035
Rates	15,573	14,536
Rent	72,000	72,000
Repairs and maintenance	108,229	141,917
Security	71,834	71,731
Sky Channel and Pay TV	55,344	55,148
Superannuation	74,138	68,711
Staff training	1,363	1,293
Telephones	11,696	11,599
Turbo redemptions	42,498	43,736
Wages and salaries	942,658	862,046
	<hr/>	<hr/>
	2,479,258	2,459,585
	<hr/>	<hr/>
Profit (loss) from ordinary activities before income tax expense	(250,494)	(152,729)
	<hr/>	<hr/>