

# **Quirindi R.S.L. Sub-Branch Club**

**ABN: 95 000 856 388**

## **Financial Statements**

**For the Year Ended 30 June 2017**

**Quirindi R.S.L. Sub-Branch Club**

**ABN: 95 000 856 388**

## **Contents**

**For the Year Ended 30 June 2017**

	<b>Page</b>
<b>Financial Statements</b>	
Directors' Report	1
Auditors Independence Declaration under Section 307C of the Corporations Act 2001	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	25
Independent Audit Report	26
Disclaimer	29

## Directors' Report

### For the Year Ended 30 June 2017

The directors present their report on Quirindi R.S.L. Sub-Branch Club for the financial year ended 30 June 2017.

#### 1. General information

##### Information on directors

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

Douglas Hawkins	President
Qualifications	Retired
Experience	Previous Club Board experience
Luke Scanlon	Vice President
Qualifications	Real Estate Business Principal
Experience	Business owner
Paul Maher	Treasurer
Qualifications	Spare parts interpreter
Experience	Previous Club Board experience
Colin Stewart	
Qualifications	Chartered Accountant
Experience	Company Director
Earl Kelaher	
Qualifications	Company Director
Experience	Business Owner
Grant Gregory	Resigned 10/10/2016
Qualifications	Business Owner
Experience	Business Management
Ian Kennett	Appointed 10/10/2016
Qualifications	Retired
Experience	Previous Club Board experience
James (Jim) Banister	Appointed 10/10/2016
Qualifications	Company Director
Experience	Business Owner / Previous board experience
Amanda Potter	
Qualifications	Secretary
Experience	Director 2 years

## Directors' Report For the Year Ended 30 June 2017

### Information on directors

#### Information on directors

Tony Todd	Resigned 6/6/2017
Qualifications	Financial Controller
Experience	Director 2 years
Terrie Clark	
Qualifications	Hospitality Manager
Experience	Previous Hospitality Management
Special responsibilities	Club Secretary/Manager

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

### Principal activities

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

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:

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

### Long term objectives

The Company's long term objectives are to:

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

### Strategy for achieving the objectives

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

- Ensure the Board and Management have the resources and capability to deliver these goals and

## Directors' Report

### For the Year Ended 30 June 2017

#### Strategy for achieving the objectives

there is common agreement on the benefits to the Club of these objectives.

#### How principal activities assisted in achieving the objectives

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

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

#### Performance measures

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

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

#### Members' guarantee

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

At 30 June 2017 the collective liability of members was \$ 24,480 (2016: \$ 23,980).

#### Company secretary

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

Terrie Clark (Club Secretary and Manager) has been the company secretary since 1st February, 2016.

Quirindi R.S.L. Sub-Branch Club  
ABN: 95 000 856 388

**Directors' Report**  
**For the Year Ended 30 June 2017**

**Meetings of directors**

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

	Directors' Meetings	
	Number eligible to attend	Number attended
Douglas Hawkins	12	12
James (Jim) Banister	10	10
Luke Scanlon	12	12
Paul Maher	12	12
Earl Kelaher	12	11
Colin Stewart	12	12
Grant Gregory	2	2
Amanda Potter	12	11
Adam Hitchen	2	2
Tony Todd	12	11
Ian Kennett	10	10
Terrie Clark	12	12

**Auditor's independence declaration**

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2017 has been received and can be found on page 5 of the financial report.

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

Director:  .....

Director:  .....

Dated this 12<sup>TH</sup> ..... day of SEPTEMBER 2017

Quirindi R.S.L. Sub-Branch Club  
ABN: 95 000 856 388

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been:

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

Margaret van Aanholt, Director

PKF Lawler Warburtons Audit & Assurance Pty Limited



11 September 2017

22-24 Bourke Street, Tamworth NSW

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

Tamworth  
22 – 24 Bourke Street  
Tamworth NSW 2340  
PO Box 1900 Tamworth

Liability limited by a scheme approved  
under Professional Standards Legislation.

p 02 6768 4500 f 02 6766 4322

PKF International Limited administers a network of legally independent firms which carry on separate business under the PKF name.  
PKF International Limited is not responsible for the acts or omissions of individual member firms of the network.  
For office locations visit [www.pkf.com.au](http://www.pkf.com.au)

Quirindi R.S.L. Sub-Branch Club

ABN: 95 000 856 388

**Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 30 June 2017**

		<b>2017</b>	<b>2016</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
Revenue	4	<b>3,947,969</b>	3,171,113
Other income	4	<b>8,431</b>	7,659
Cost of goods sold		<b>(746,299)</b>	(641,505)
Employee benefits expense	5	<b>(1,401,763)</b>	(1,068,686)
Depreciation and amortisation expense		<b>(357,011)</b>	(232,660)
Other expenses		<b>(1,307,786)</b>	(1,094,037)
Finance costs	5	<b>(71,046)</b>	(43,998)
<b>Profit before income tax</b>		<b>72,495</b>	97,886
Income tax expense	6	-	-
<b>Profit for the year</b>		<b>72,495</b>	97,886
Other comprehensive income, net of income tax		-	-
<b>Total comprehensive income for the year</b>		<b>72,495</b>	97,886

The accompanying notes form part of these financial statements.



**Statement of Financial Position**

**As At 30 June 2017**

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	7	570,331	431,276
Trade and other receivables	8	4,650	10,567
Inventories	9	72,408	70,089
Other financial assets	10	122,785	436,182
Prepayments	11	39,237	37,349
<b>TOTAL CURRENT ASSETS</b>		<b>809,411</b>	985,463
NON-CURRENT ASSETS			
Trade and other receivables	8	5,000	5,000
Property, plant and equipment	12	5,409,338	5,620,182
Investment property	13	28,122	-
Intangible assets	14	33,500	33,500
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,475,960</b>	5,658,682
<b>TOTAL ASSETS</b>		<b>6,285,371</b>	6,644,145
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	15	200,195	200,377
Short-term provisions	18	41,832	36,654
Employee benefits	19	68,190	147,134
Other liabilities	17	19,168	30,855
<b>TOTAL CURRENT LIABILITIES</b>		<b>329,385</b>	415,020
NON-CURRENT LIABILITIES			
Borrowings	16	1,416,690	1,750,000
Employee benefits	19	5,562	11,200
Other liabilities	17	-	12,274
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,422,251</b>	1,773,471
<b>TOTAL LIABILITIES</b>		<b>1,751,636</b>	2,188,491
<b>NET ASSETS</b>		<b>4,533,735</b>	4,455,654
<b>EQUITY</b>			
Investment revaluation reserve		5,587	-
Retained earnings		4,528,147	4,455,654
<b>TOTAL EQUITY</b>		<b>4,533,735</b>	4,455,654

The accompanying notes form part of these financial statements.

**Statement of Changes in Equity  
For the Year Ended 30 June 2017**

2017

	<b>Retained Earnings</b>	<b>Asset Revaluation Reserve</b>	<b>Total</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2016</b>	4,455,654	-	4,455,654
Profit attributable to members of the entity	72,494	-	72,494
Revaluation increment (decrement)	-	5,587	5,587
<b>Balance at 30 June 2017</b>	<b>4,528,148</b>	<b>5,587</b>	<b>4,533,735</b>

2016

	<b>Retained Earnings</b>	<b>Asset Revaluation Reserve</b>	<b>Total</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2015</b>	4,357,767	-	4,357,767
Profit attributable to members of the entity	97,886	-	97,886
<b>Balance at 30 June 2016</b>	<b>4,455,654</b>	<b>-</b>	<b>4,455,654</b>

The accompanying notes form part of these financial statements.

**Statement of Cash Flows**  
**For the Year Ended 30 June 2017**

	2017	2016
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	4,326,650	3,477,767
Payments to suppliers and employees	(3,952,691)	(3,175,674)
Rent received	17,853	22,320
Finance costs	(71,046)	(43,998)
Rent received	5,940	4,950
Net cash provided by/(used in) operating activities	24 <u>326,706</u>	<u>285,365</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant & equipment	7,320	8,000
Payment to acquire property, plant & equipment	(180,644)	(2,433,040)
Proceeds from long term deposits	318,983	504,440
Net cash used by investing activities	<u>145,659</u>	<u>(1,920,600)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	-	1,750,000
Repayment of borrowings	(333,310)	-
Net cash used by financing activities	<u>(333,310)</u>	<u>1,750,000</u>
Net increase/(decrease) in cash and cash equivalents held	139,055	114,765
Cash and cash equivalents at beginning of year	<u>431,276</u>	<u>316,511</u>
Cash and cash equivalents at end of financial year	7 <u><u>570,331</u></u>	<u><u>431,276</u></u>

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

### For the Year Ended 30 June 2017

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

The functional and presentation currency of Quirindi R.S.L. Sub-Branch Club is Australian dollars and rounded to the nearest dollar.

#### 1 Basis of Preparation

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

#### 2 Summary of Significant Accounting Policies

##### (a) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

##### **Sale of goods**

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

##### **Donations**

Donations and bequests are recognised as revenue when received.

##### **Interest revenue**

Interest is recognised using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

##### **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.

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 2 Summary of Significant Accounting Policies

#### Subscriptions

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

#### Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

#### (b) Income Tax

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

#### (c) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (d) Trade and other receivables

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

#### (e) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

#### (f) Property, Plant and Equipment

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

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 2 Summary of Significant Accounting Policies

#### (f) Property, Plant and Equipment

##### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a combination of reducing balance basis & prime cost over the assets useful life to the Company, commencing when the asset is ready for use.

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

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Freehold Land & buildings - RSL (at cost)	2.5% prime cost
Improvements	5% - 20% D.V.
Poker Machines	18% - 40% D.V.
Plant & Equipment	10% - 30% D.V.

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (g) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (h) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using the G100 discount rates specifically developed for the purpose of discounting employee benefits under AASB 119. Changes in the measurement of the liability are recognised in profit or loss.

#### (i) Fair value measurement

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

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 2 Summary of Significant Accounting Policies

#### (i) Fair value measurement

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

#### (j) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows 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 30 June 2017

### 3 Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### *Estimation of useful lives of assets*

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

#### *Employee benefits provision*

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.



**Notes to the Financial Statements**  
**For the Year Ended 30 June 2017**

**4 Revenue and Other Income**

**Revenue from continuing operations**

	<b>2017</b>	<b>2016</b>
	\$	\$
<b>Sales revenue</b>		
Bar sales	1,304,917	1,154,351
Poker machine takings	1,740,898	1,641,280
Member subscriptions	68,471	38,815
Golf club fees and charges	66,182	75,166
	<u>3,180,468</u>	<u>2,909,612</u>
<b>Finance income</b>		
Interest revenue	17,639	21,999
Dividend income	214	321
	<u>17,853</u>	<u>22,320</u>
<b>Other revenue</b>		
Motel revenue	598,688	115,880
Rental revenue from investment property	5,400	4,500
Commissions	92,237	76,881
GST rebate	20,322	20,246
sundry income	33,001	21,674
	<u>749,648</u>	<u>239,181</u>
<b>Total Revenue</b>	<u>3,947,969</u>	<u>3,171,113</u>

	<b>2017</b>	<b>2016</b>
	\$	\$
<b>Other Income</b>		
Insurance recoveries	7,466	-
Net gain on disposal of property, plant and equipment	965	7,659
	<u>8,431</u>	<u>7,659</u>

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2017**

**5 Expenses**

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

	<b>2017</b>	<b>2016</b>
	\$	\$
<b>Finance Costs</b>		
- Interest on bank overdrafts and loans	<b>71,046</b>	43,998
<b>Total finance costs</b>	<b>71,046</b>	43,998

The result for the year includes the following specific expenses:

	<b>2017</b>	<b>2016</b>
	\$	\$
<b>Employee benefits expense</b>		
Wages and salaries	<b>1,208,914</b>	859,049
Superannuation contributions	<b>117,889</b>	85,318
Payroll tax	<b>36,297</b>	11,350
Workers Compensation	<b>22,423</b>	11,069
Movement on leave entitlements	<b>10,328</b>	88,909
Other expenses	<b>5,912</b>	12,991
<b>Total Employee benefits expense</b>	<b>1,401,763</b>	1,068,686
<b>Other expenses:</b>		
Electricity and water	<b>112,419</b>	95,151
Poker Machine Duty Tax	<b>250,570</b>	218,489
Members Discounts, Amenities & Promotions	<b>209,140</b>	195,732
Repairs and maintenance	<b>173,059</b>	141,932
Depreciation expense	<b>357,011</b>	232,660
Insurance	<b>49,552</b>	38,020
Land rates	<b>22,173</b>	21,623
Advertising	<b>26,644</b>	29,659
<b>Impairment of receivables:</b>		
Bad debts	<b>5,637</b>	3,033

**Notes to the Financial Statements  
 For the Year Ended 30 June 2017**

**6 Income Tax Expense**

(a) Reconciliation of income tax to accounting profit:

	2017	2016
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2016: 30%)	21,748	29,366
<b>Add:</b>		
<b>Tax effect of:</b>		
	<u>21,748</u>	<u>29,366</u>
<b>Less:</b>		
<b>Tax effect of:</b>		
<b>Income tax expense</b>	<u><u>21,748</u></u>	<u><u>29,366</u></u>

**7 Cash and cash equivalents**

	2017	2016
	\$	\$
Cash on hand	75,600	65,877
Cash at bank	494,731	365,399
	<u>570,331</u>	<u>431,276</u>

**8 Trade and other receivables**

	2017	2016
	\$	\$
<b>CURRENT</b>		
Other receivables	4,650	10,567
<b>Total current trade and other receivables</b>	<u>4,650</u>	<u>10,567</u>
	2017	2016
	\$	\$
<b>NON-CURRENT</b>		
Deposits	5,000	5,000
<b>Total non-current trade and other receivables</b>	<u>5,000</u>	<u>5,000</u>

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2017**

**9 Inventories**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
<b>At cost:</b>		
Stock on hand - bar	<b>43,126</b>	39,963
Non bar	<b>29,282</b>	30,126
	<b><u>72,408</u></b>	<u>70,089</u>

**10 Other financial assets**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Shares in listed entities at fair value	<b>5,587</b>	-
Term deposits and online saver accounts	<b>117,199</b>	436,182
Current Available-for-sale financial assets	<b><u>122,785</u></b>	<u>436,182</u>

**11 Other non-financial assets**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Prepayments	<b>39,237</b>	37,349
<b>Total Prepayments</b>	<b><u>39,237</u></b>	<u>37,349</u>

**Notes to the Financial Statements**

**For the Year Ended 30 June 2017**

**12 Property, plant and equipment**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>LAND AND BUILDINGS</b>		
At cost	5,771,034	5,771,034
Accumulated depreciation	<u>(1,230,550)</u>	<u>(1,099,290)</u>
Total land and buildings	<u><b>4,540,484</b></u>	<u><b>4,671,744</b></u>
<b>PLANT AND EQUIPMENT</b>		
<b>Capital works in progress</b>		
At cost	-	24,008
<b>Plant and Equipment - RSL Club</b>		
At cost	2,323,646	2,218,163
Accumulated depreciation	<u>(1,659,767)</u>	<u>(1,554,694)</u>
Total plant and equipment - RSL Club	<u><b>663,879</b></u>	<u><b>663,469</b></u>
<b>Plant and Equipment - Golf Club</b>		
At cost	150,137	127,135
Accumulated depreciation	<u>(78,672)</u>	<u>(76,377)</u>
Total Plant and Equipment - Golf Club	<u><b>71,465</b></u>	<u><b>50,758</b></u>
<b>Plant and Equipment - Motel</b>		
At cost	227,257	222,608
Accumulated depreciation	<u>(93,747)</u>	<u>(12,405)</u>
Total plant and equipment - Motel	<u><b>133,510</b></u>	<u><b>210,203</b></u>
Total plant and equipment	<u><b>868,854</b></u>	<u><b>948,438</b></u>
<b>Total property, plant and equipment</b>	<u><b>5,409,338</b></u>	<u><b>5,620,182</b></u>

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2017**

**12 Property, plant and equipment**

(a) Movements in Carrying Amounts

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

	Capital Works in Progress	Land & buildings	Plant & Equipment - RSL Club	Plant and Equipment - Golf Club	Plant and Equipment - Motel	Total
	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2017</b>						
Balance at beginning of year	24,008	4,671,744	663,469	50,758	210,203	5,620,182
Additions	-	-	148,879	23,002	4,649	176,530
Disposals - WDV	-	-	(6,355)	-	-	(6,355)
Transfers	(24,008)	-	-	-	-	(24,008)
Depreciation	-	(131,260)	(142,114)	(2,295)	(81,342)	(357,011)
<b>Balance at the end of the year</b>	<b>-</b>	<b>4,540,484</b>	<b>663,879</b>	<b>71,465</b>	<b>133,510</b>	<b>5,409,338</b>

Quirindi R.S.L. Sub Branch

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

Quirindi Golf Club

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

**13 Investment Property**

	2017	2016
	\$	\$
House - Abbot Street Quirindi (at cost)	79,860	51,738
Depreciation	(51,738)	(51,738)
<b>Balance at end of the period</b>	<b>28,122</b>	<b>-</b>

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2017**

**14 Intangible Assets**

	2017	2016
	\$	\$
<b>Licenses</b>		
Poker machine licences - at cost	33,500	33,500
<b>Total Intangibles</b>	<u>33,500</u>	<u>33,500</u>

**15 Trade and other payables**

	2017	2016
Note	\$	\$
Current		
Trade payables	64,368	48,257
GST payable	22,858	18,187
Sundry payables and accrued expenses	112,969	80,280
Retention - motel	-	53,653
	<u>200,195</u>	<u>200,377</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

**16 Borrowings**

	2017	2016
	\$	\$
<b>NON-CURRENT</b>		
Secured liabilities:		
Bank loans	1,416,690	1,750,000
<b>Total non-current borrowings</b>	<u>1,416,690</u>	<u>1,750,000</u>

(a) Defaults and breaches

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

(b) Mortgages, charges and securities

The Commonwealth Bank of Australia holds security as registered first mortgage over the club's land and buildings located at 88 Station Street & 132-134 Railway Street, Quirindi.

**Notes to the Financial Statements  
 For the Year Ended 30 June 2017**

**17 Other Liabilities**

	2017	2016
	\$	\$
<b>CURRENT</b>		
Memberships received in advance	19,168	30,855
	<u>19,168</u>	<u>30,855</u>
<b>NON-CURRENT</b>		
Memberships received in advance	-	12,274
	<u>-</u>	<u>12,274</u>

**18 Provisions**

	2017	2016
	\$	\$
<b>CURRENT</b>		
Bonus reward liability	25,088	24,711
CDSE liability	13,317	11,406
Golf Hole In One Competition	3,427	537
	<u>41,832</u>	<u>36,654</u>

**19 Employee Benefits**

	2017	2016
	\$	\$
<b>CURRENT</b>		
Long service leave	13,363	12,572
Provision for annual leave	54,827	134,562
	<u>68,190</u>	<u>147,134</u>
<b>NON-CURRENT</b>		
Long service leave	5,562	11,200
	<u>5,562</u>	<u>11,200</u>



**Notes to the Financial Statements**  
**For the Year Ended 30 June 2017**

**20 Commitments**

	2017	2016
	\$	\$
<b>Minimum rental payments under non-cancellable rental agreement:</b>		
- not later than one year	2,868	2,868
- between one year and five years	8,126	10,994
	<u>10,994</u>	<u>13,862</u>

A 60 month rental agreement with Fiji Xeron Finance for a photocopier exists. The minimum monthly payment is \$239.00. This rental agreement is due to cease in 2021.

**21 Contingencies**

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2017 (30 June 2016:Nil).

**22 Key Management Personnel**

The total remuneration paid to key management personnel of the Company during the year is \$ 272,982 (2016: \$ 205,512).

The above remuneration includes current and previous management personnel.

**23 Related Parties**

**Transactions with related parties**

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

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 24 Cash Flow Information

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

Reconciliation of net income to net cash provided by operating activities:	2017	2016
	\$	\$
Profit for the year	72,494	97,886
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	357,011	232,660
- net (gain)/loss on disposal of property, plant and equipment	(965)	(7,659)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	5,918	31,583
- (increase)/decrease in prepayments	(1,888)	(10,512)
- (increase)/decrease in inventories	(2,319)	5,128
- increase/(decrease) in trade and other payables	10,342	(128,320)
- increase/(decrease) in provisions	(29,306)	58,251
- increase/(decrease) in employee benefits	(84,581)	6,348
Cashflows from operations	<u>326,706</u>	<u>285,365</u>

### 25 Events Occurring After the Reporting Date

The financial report was authorised for issue on the 12th of September, 2017 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.

### 26 Company Details

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

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

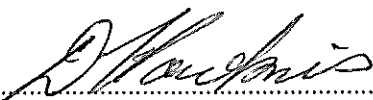
Quirindi R.S.L. Sub-Branch Club  
ABN: 95 000 856 388

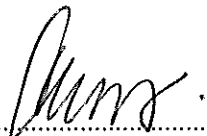
### Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 24, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director  .....

Director  .....

Dated this 12<sup>TH</sup> day of SEPTEMBER 2017

Quirindi R.S.L. Sub-Branch Club  
ABN: 95 000 856 388

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

### Report on the Audit of the Financial Report

#### Qualified Opinion

We have audited the financial report of Quirindi R.S.L. Sub-Branch Club (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Qualified Opinion

As it is common for organisations of this type, it is not practicable for the Club to maintain an effective system of internal control over some revenue activities such as raffles and bingo income until their initial entry in the account records. Accordingly, our audit in relation to the above was limited to the amounts recorded.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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

Tamworth  
22 – 24 Bourke Street  
Tamworth NSW 2340  
PO Box 1900 Tamworth

Liability limited by a scheme approved  
under Professional Standards Legislation.

p 02 6768 4500 f 02 6766 4322

PKF International Limited administers a network of legally independent firms which carry on separate business under the PKF name.  
PKF International Limited is not responsible for the acts or omissions of individual member firms of the network.  
For office locations visit [www.pkf.com.au](http://www.pkf.com.au)

Quirindi R.S.L. Sub-Branch Club  
ABN: 95 000 856 388

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

### Responsibilities of Directors 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.

In preparing the financial report, the directors are responsible for assessing the the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Quirindi R.S.L. Sub-Branch Club  
ABN: 95 000 856 388

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

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**PKF Lawler Warburtons Audit & Assurance Pty Ltd**



Margaret van Aanholt

22-24 Bourke Street, Tamworth NSW

Dated this .....12th..... day of .....September.....2017

**Disclaimer**  
**30 June 2017**

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

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

*The Responsibility of the Directors*

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

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

PKF Lawler Warburtons Audit & Assurance Pty Limited



.....  
Margaret van Aanholt

22-24 Bourke Street, Tamworth, NSW

12th September, 2017