

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED

ACN 001 062 620 ABN 54 001 062 620

2016/2017

ANNUAL REPORT

For year ending 30th June 2017

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED

2016/2017 ANNUAL REPORT

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Woolgoolga Returned Services Club Limited will be held at the Woolgoolga Returned Services Club Limited, 17 Beach St. Woolgoolga at 10.30 am, Sunday 24th September 2017.

AGENDA

1. To confirm the minutes of the Annual General Meeting held Sunday 25 September 2016.
2. To receive and consider the Annual Report for the 12 month period ended 30th June 2017.
3. For the returning officer to declare the results of the Board elections.
4. To consider and, if thought fit, to pass the following Ordinary Resolution of which proper notice has been given.

1 Ordinary Resolution

The Members hereby approve expenditure by the Club in a sum not exceeding \$20,000.00 over the following twelve months for the following expenses subject to Board Approval by the Board of Directors.

- (i) The reasonable cost of a meal and beverage for each Director before or after a Board or Committee Meeting, on the day of that meeting when this coincides with a normal meal time.
- (ii) Reasonable expenses incurred by Directors either within the Club or elsewhere in relation to such other duties including entertainment of special guests of the Club and other promotional activities approved by the Board on production of documentary evidence of such expenditure.
- (iii) Reasonable expenses of Directors attending functions with spouses where appropriate and required to represent the Club.
- (iv) The provision of blazers and associated apparel for the use of Club Directors when representing the Club.

The members acknowledge that the benefits above are not available to Members generally but only for those who are Directors of the Club.

5. Any other business of which proper notice has been given.
(Any questions relating to the Annual Report should be put in writing to the Secretary Manager at least five clear days prior the meeting. Copies of the annual report are available at the Registered Club Premises or on the Club Website.)
6. To receive recommendations to the incoming Board.

By order of the Board of Directors.

Glenn Buckley.

Secretary Manager.

30 August 2017.

PRESIDENTS REPORT 2017

It is with pleasure on behalf of the Board of directors to present my annual report for the financial year ending 30 June 2017.

Secretary Manager Glenn Buckley has done an exceptional job in trying to attain a turnaround of our fortunes, but unfortunately I have to report a very disappointing year with a loss of \$481,205.00 We have made many changes in the lease on the Golf Club and the Bistro but these don't show in last year results. Unfortunately percentage margin on our net result in the poker machines wasn't as we required.

Glenn is continually coming up with new ideas, researching ways and means to overcome any problems in all areas. We are continually changing the raffles to try and give the members and visitors a variety of prizes. The reward system is another way of giving back to the customer.

Mrs. Daphne Parker is doing an excellent job as Assistant Secretary to Glenn, as she continues to assist in the smooth running of the club and keeps the books in order.

Julie, our front desk operator and office assistant, is a good ambassador in the first line of greeting our members and guests and is a wealth of information to answer all those many general knowledge questions that are asked.

The bar and gaming staff continue to serve our customers in the friendly and courteous manner that the club is renowned for.

Neil our Chef has been closely liaising with Glenn and the Board to keep expenses at a minimum. Trade has picked up with several changes to the menu's which is proving very popular. His specialty Soiree nights are well patronized and booking is essential, as with the popular carvery Tuesday night. The deck continues to be used by groups and parties.

The Diggers Rest Motel continues to perform well with an occupancy rate remaining high. The highway by pass doesn't seem to have had much of an effect on the town which is pleasing.

The Cleaning staff double in keeping the club clean and night time security, which has been very effective by having someone on the premises at all times.

I would like to personally thank all management and staff for their diligence and the courteous manner in which they conduct themselves. Thank you.

The Golf Club has been operating well considering the wet weather we endured over winter. We either have not enough rain or too much with the course being closed for several days at a time. Steve our course curator has again been outstanding & his ground staff is to be congratulated.

Thank you to Don & his Golf Club Committee for their funding for the cart paths and drainage and for running the game of golf. The Ladies Golf Committee for their input into the improvements to amenities from funds they collect from raffles, etc. The bar is operating very well out there which gives Safety Beach a watering hole without having to risk driving out on the highway.

I thank my Board of Directors for their continued support to myself & with the running of raffles & draws to take the workload off the staff.

Most of all I thank our loyal members & visitors who use their club as their regular venue. We value your patronage and try to give back to the members, in prizes as much as we can. Thank you for your support.

I thank Graeme Geyson and his committee from the Sub Branch for working in harmony with the Board of Directors, Management & Staff, especially on Anzac day which is their very special day.

To all members who are sick; I wish them a speedy recovery & my sincere condolences to all who have lost a loved one.

WOOLGOOLGA RSL SUB BRANCH PRESIDENT'S REPORT 2017

It is with pleasure that I present my report for 2017. 2016/17 was a year of highs and lows for the sub-Branch. Our main events of Remembrance Day and ANZAC Day were, as usual a great success, although the numbers were down for our ANZAC Day luncheon. On the other hand, the public continue to support these events in great numbers, especially the ANZAC Day Dawn Service, the march and the Commemorative Service. It is worth remembering that these events would not be possible without the existence of the Woolgoolga RSL sub-Branch. The other essential support continues from the Returned Services Club Ltd, the Defence Cadets, the Woolgoolga RFS, the Uniting Church, the Chaplain, the Pipes and Drums, the police, other participants and of course our own members who give their time selflessly. I sincerely thank them all.

The election of Officers at our AGM this year was for a three-year term and I congratulate and welcome our Vice Presidents Greg Jackson and Rob Wake, our Secretary Allan Crouch OAM RFD, our Treasurer Cherrill Powell, our welfare Officers Allan Crouch OAM RFD and Dick Frost, our Museum Director Glen Rogan and the return of Geoff Morrow to the Publicity Officer's position. These members make my job a lot easier and without them the sub-Branch would not exist. This year was a special year in that Allan Crouch OAM FRD was awarded Life Honorary membership of the NSW Branch of the Returned and Services League of Australia for his dedication, time and effort in supporting the sub-Branch in Executive positions of Secretary and Vice President over a 10-year period. Congratulations and well-deserved Allan. Also on the receiving end of awards was Joy Hussey for her dedication and work with the Woolgoolga RSL Women's Auxiliary, congratulations Joy.

At this point I would mention the passing of Peter Laidlaw who was a diligent and well respected past Secretary. Allan and I attended his funeral in Brisbane. Among others who have left us this year is the past Present of the Women's Auxiliary, Noeline Sinclair. Peter and Noeline will be forever remembered as all our deceased members are. I would like to especially thank Allan and Dick for their sincere efforts to make the families of our deceased members comfortable with their well-presented RSL Funeral Service and ongoing support where required. They also continue to visit our sick and infirmed members and offer friendship and support.

We continue to work in unison with the Woolgoolga Returned Services Club Ltd and I would like to thank the CEO Glenn Buckley, his assistant CEO Daphne Parker, the receptionist Julie White and all the bar and kitchen staff for their assistance throughout the past year. In addition, I would like to thank Club President Trevor Goldthorpe and the Board of Directors for their continued support.

The 11th February 2017 was an end of an era with the ladies of the Woolgoolga RSL Women's Auxiliary unable to form an Executive Committee. This was the end of a lifetime of dedication and essential support to many charities and our own sub-Branch. Commenced in 1935 by a handful of partners and relatives of ex-servicemen it continued to a stage where no new members were available to form a committee. Over the years they raised thousands of dollars for various charities, supported the sub-branch, raised funds by running raffles and selling Commemorative merchandise and helping the sub-Branch set up and serve breakfast at the ANZAC Day Dawn Service and luncheon, among other well-deserved tasks. I managed to complete the History of the Woolgoolga RSL Women's Auxiliary this year and am still working on the history of the sub-Branch.

Finally, our sub-Branch offers our condolences to the families and friends of all of those who have passed on in the last year. To all of our members and friends who are in hospitals and nursing homes, you are always in our thoughts.

LEST WE FORGET.

GRAEME GEYSON
President

WOOLGOOLGA RETURNED SERVICES MENS GOLF CLUB PRESIDENTS REPORT 2017

The past year has been a fluctuating year for the club in terms of players and members using the clubs facility, with our Saturday members' competition averaging around 90 players which on average is about 30 players less than previous years. Most golf clubs in our area are also experiencing low member numbers, and a recent report from Golf Australia put Mid north coast of NSW as the highest loss of members for all districts Australia wide. Currently our region is experiencing a boom in housing and with the right marketing we have every opportunity to attract new members to our club. Our Wednesday competition is attracting great numbers and is slowly becoming our main competition with an average of 70 to 80 players which represents a major increase from previous years.

As in previous years our club has contributed quite substantially to the running cost of the golf course and our recent decision to charge an extra dollar per competition game has resulted in the club being able to attack projects such as cart paths and better machinery for the green staff.

2015-2016 saw our club contribute \$27,988 and 2016-2017 the club spent \$27,761, also with our current projects of stage two and stage three of the cart paths will see our club invest another \$32,000. I would like to acknowledge the contribution from the ladies committee of \$10,000 towards the cart path expenses, a great gesture. We have applied for a federal grant of \$4568, which our club will match dollar for dollar, to assist in dealing with the drainage problem our course has.

It is with sadness that I report the retirement of Shane Ewart who has made the decision to stand down as club captain due to family commitments, Shane has done an outstanding job as club captain and will be sorely missed. Dennis Lynch has announced his retirement from the treasurers job, after 16 years as treasurer Dennis has moved on to general committee and passed the job onto Ian Armstrong who will assume this most important role. On behalf of all members I would like to thank both Shane and Dennis for their contribution to our golf club.

It would be remiss of me if I did not acknowledge the effort of the greens staff, Steve Geyson has done an outstanding job with our greens, which have been great for a long period of time and our fairways have improved with the whole course in great shape.

Our club is fortunate to have Terry Perfrement as our professional, Terry is an outstanding communicator to members and visitors and a great ambassador for our Club.

DON PENSON.

President Woolgoolga Returned Services Golf Club

WOOLGOOLGA RETURNED SERVICES LADIES GOLF CLUB PRESIDENTS REPORT 2017

I would like to welcome our new Committee for 2017 and wish them all the best for the coming year.

It has been a rewarding experience for myself taking on the role as President this year, and am looking forward to having the opportunity to do the same job in 2018.

I would like to thank our fantastic committee, all the girls contribute so well especially our Secretary Marion as she makes my job so easy and has the knowledge and know how to get things done.

We have a great bunch of girls playing golf and we all get along so well, it is as much a social outlook as well as playing the sport for a lot of our members. I would like to thank all our members for contributing to our raffles each week and also for bringing a plate on special occasions. Especially to those girls who work tirelessly to improve our gardens and spend a lot of their time making our course look beautiful.

I would like to congratulate all our major winners this year, it certainly has been a challenge due to the amount of rain that fell in June and was definitely not easy for our green staff especially on the 1st and 2nd hole.

It is great that we also have great representation from our ladies that often travel to tournaments in and around our area.

We have had some special events like a Breast Cancer Day which we raised \$438, as well as supporting Camp Quality & Heart foundation and Westpac Helicopter.

We are hoping to hold the Vets competition for the area in 2019, which would be a fantastic opportunity for the Club and Woolgoolga itself.

We are very excited to have had the new pathways done it has made an incredible difference to the course, we have been able to achieve this by liaising with our Men's Committee and through a combined financial effort from both our men and women members.

Lastly I would like to thank Steve Geyson for listening to our concerns and his Green Staff, Bar Staff and especially our Golf Pro Terry Preferment who has taken the time to help a lot of us with chipping and driving classes.

Club President

LYN REILLY

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

<u>Contents</u>	<u>PAGE</u>
Directors' Report	1
Auditors' Independence Declaration	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	25
Independent Auditors' Report	26
Disclaimer	29
Detailed Trading, Income and Expenditure Statements	30

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2017

Your directors present their report on the company for the financial year ended 30 June 2017.

Principal Activities

The principal activities of the Club during the financial year were to promote and conduct the game of golf and such other sports, games, amusements, entertainments and entertainers, pastimes and recreation (indoor and outdoor) as the Club may deem expedient.

The principal activities of the Club have provided the funding to achieve the goals that have been reached and that funding will continue to provide the means by which the Club will meet its future goals.

Short and Long Term Objectives of the Company

In the short term the company will;

- Continue to provide the activities that make up the principal activities of the Company.
- Provide entertainment, food and beverages for the community at reasonable prices.
- Encourage new membership
- Improve profitability and efficiency of Club Operations
- Derive income to support local sporting groups and charitable organisations

In the longer term the company will:

- Ensure facilities continue to cater for member's needs.
- Maintain financial stability for the club
- Develop the assets of the Club to provide viable and alternative streams of income for the betterment of the Club.
- Continue to seek alternative sources of income away from the core business of the Club.

Strategies for achieving the objectives

The strategy to achieve the short and long term objectives of the Club is through the provision of effective corporate governance including:

- Making decisions that are consistent with the Club's role/purpose and the interests of the members.
- Ensuring the Club's business is conducted ethically and transparently.
- Compliance with any relevant legislative industrial and administrative requirements.
- Through support of the community.
- Measuring/ monitoring the profitability and efficiency of core trading activities.
- Obtaining value for club money spent by avoiding waste and extravagance in the use of Club Resources.
- Providing value for money to members and guests.
- Providing a safe, healthy and discrimination free club environment.

Performance Measures

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

As per Clubs NSW code of practice guidelines for assessing club performance and benchmarking. Including but not limited to;

- Assessing profitability through EBITDA
- Membership numbers
- Revenue centre profit benchmarking such as GP%
- Wages as a percentage of sales
- Assessing return on investment with regards to all expenditure

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2017

Directors Information

Directors

The names of the directors in office at any time during, or since the end of, the year and the period that each director has been in office:

Directors Name	Special Responsibilities	Period as Director	Qualifications and Experience
T. Goldthorpe	President	Appointed 15 March 1983	Retired Refrigeration Engineer
M. Hussey	Senior Vice President	Appointed 30 September 2003	Retail Storeperson
G. Jackson	Junior Vice President	Appointed 26 September 2000	Retired Logistics Operator
G. King	Associate Director	Appointed 29 November 2007	Bachelor of Education Retired School Principal
P. Clark	Associate Director	Appointed 29 September 2013	Bachelor of Education School Principal
E. Clatworthy	Director	Appointed 28 September 2004	Retired Electrical Contractor

Meetings of Directors

During the financial year, 12 meetings of directors were held and the attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
T. Goldthorpe	12	12
M. Hussey	12	12
G. Jackson	12	12
G. King	12	11
P. Clark	12	12
E. Clatworthy	12	12

Core and Non-Core Property

Core property is defined as any real property owned by the Club that comprises the defined premises of the Club or any facilities provided by the Club for the use of members and their guests. Core property of the Club consists of the land occupied by the Clubhouse and carparks at 17 Beach St, Woolgoolga NSW. Non Core Property of the Club means any real property owned by the Club that is not core property. Non Core property consists of 5 and 7 Beach St Woolgoolga NSW.

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2017

Membership Details

The Woolgoolga Returned Services Club Limited is a public company limited by guarantee and no shares or options are issued. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the company.

Membership Class	Number of Members	Individual Members Contribution on winding up of Company	Total Members Contribution on winding up of Company
Ordinary	105	\$ 2	\$ 210
Associate	1,713	\$ 2	\$ 3,426
Life	1	\$ 2	\$ 2
Golf - Male	156	\$ 2	\$ 312
Golf - Female	30	\$ 2	\$ 60
Golf - Junior	3	\$ 2	\$ 6
Total	2,008	\$ 2	\$ 4,016

Significant Developments during the Financial Year

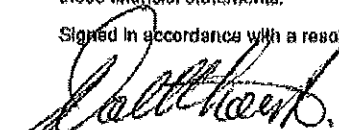
The Directors have entered into a partnership with TGS, a division of Tabcorp for the supply of Gaming Machines to the Club. This partnership has provided the club with a substantial renovation, the most up the date gaming machines and assistance with marketing, and customers service strategies. The Directors believe this partnership will be of real benefit to the operation of the Club and help us provide an increased level of service and facilities to our members and guests.

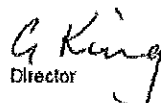
Presently, a Development Application (DA) is with council for the provision of over 55 Lifestyle living apartments. The name for this development is "Coastal Cove Apartments". We believe this project will be an asset to the Club and provide the community with a housing development that is in keeping with the local identity of Woolgoolga.

Auditors' Independence Declaration

A copy of the auditor's Independence declaration as required under section 307C of the Corporations Act 2001 is attached to these financial statements.

Signed in accordance with a resolution of the Board of Directors


T. Goldthorpe
President


G. King
Director

Dated: 29-8-17



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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
WOOLGOOLGA RETURNED SERVICES CLUB LIMITED

In relation to our audit of the financial report of Woolgoolga Returned Services Club Limited for the year ended 30 June 2017, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

HQB Chartered Accountants

A handwritten signature in black ink, appearing to be 'James Davis', written over a horizontal line.

James Davis – Partner in HQB Chartered Accountants

13-15 Park Avenue
Coffs Harbour
Dated: 29/8/2017

The information contained in this document may be confidential, and may also be subject of legal professional privilege.
Liability limited by a scheme under Professional Standards Legislation.

HQB Chartered Accountants is not a Financial Services Provider. Any financial product advice contained in this communication is of a factual basis only.
Financial product advice can be obtained from an AFSL such as HQB Financial Solutions Pty Ltd.

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Sales revenue	4	2,054,281	2,106,778
Cost of goods sold	5	<u>(819,376)</u>	<u>(854,378)</u>
Gross profit		1,234,905	1,252,400
Other revenue		3,306,085	3,242,906
Advertising and promotional expenses		(34,072)	(37,401)
Depreciation expense	5	(276,617)	(266,226)
Employee benefits expense		(2,460,709)	(2,489,806)
Occupancy costs		(564,011)	(571,236)
Other expenses		<u>(1,672,892)</u>	<u>(1,234,865)</u>
Loss before income tax expense		(467,311)	(104,228)
Income tax benefit	6	<u>(13,894)</u>	<u>232,611</u>
Profit after income tax benefit		<u>(481,205)</u>	<u>128,383</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>\$ (481,205)</u>	<u>\$ 128,383</u>

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	239,924	633,325
Trade and other receivables	8	29,602	17,869
Inventories	9	41,276	51,484
Current tax assets	17	-	-
Other current assets	10	64,815	37,968
TOTAL CURRENT ASSETS		375,617	740,646
NON CURRENT ASSETS			
Financial assets	11	2,254	2,254
Property, plant and equipment	12	4,108,032	4,050,347
Deferred tax assets	17	237,138	271,324
Intangible assets	13	924,600	1,005,000
TOTAL NON CURRENT ASSETS		5,272,024	5,328,925
TOTAL ASSETS		5,647,641	6,069,571
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	1,027,188	1,177,267
Borrowings	15	454,123	296,145
Provisions	18	491,936	402,351
Other liabilities	19	84,287	62,902
TOTAL CURRENT LIABILITIES		2,057,534	1,938,665
NON CURRENT LIABILITIES			
Borrowings	15	36,580	15,428
Deferred tax liabilities	17	283,293	303,585
Provisions	18	19,437	79,891
TOTAL NON CURRENT LIABILITIES		339,310	398,904
TOTAL LIABILITIES		2,396,844	2,337,569
NET ASSETS		\$ 3,250,797	\$ 3,732,002
EQUITY			
Retained earnings		3,250,797	3,732,002
TOTAL EQUITY		\$ 3,250,797	\$ 3,732,002

The accompanying notes form part of these financial statements.

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Retained Earnings \$	Total \$
Balance at 1 July 2015	3,603,619	3,603,619
Loss after income tax expense	128,383	128,383
Total other comprehensive income for the year	-	-
Derecognition of deferred tax asset	-	-
Balance at 30 June 2016	<u>\$ 3,732,002</u>	<u>\$ 3,732,002</u>
Loss after income tax expense	(481,205)	(481,205)
Total other comprehensive income for the year	-	-
Derecognition of deferred tax asset	-	-
Balance at 30 June 2017	<u>\$ 3,250,797</u>	<u>\$ 3,250,797</u>

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		5,827,697	6,546,489
Payments to suppliers		(6,194,070)	(5,743,180)
Interest Received		5,090	12,002
Income tax paid		-	-
Net cash provided by (used in) operating activities	16 (a)	<u>(361,283)</u>	<u>815,311</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		5,454	446,590
Proceeds from sale of intangible assets		120,000	-
Purchase of property, plant and equipment		<u>(336,702)</u>	<u>(997,880)</u>
Net cash used in investing activities		<u>(211,248)</u>	<u>(551,290)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		42,804	6,263
Repayment of borrowings		<u>(5,610)</u>	<u>(105,696)</u>
Net cash provided by (used in) financing activities		<u>37,194</u>	<u>(99,433)</u>
Net increase (decrease) in cash held		(535,337)	164,588
Cash at the beginning of the financial year		<u>375,644</u>	<u>211,056</u>
Cash at the end of the financial year	7 (a)	<u>\$ (159,693)</u>	<u>\$ 375,644</u>

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements cover Woolgoolga Returned Services Club Limited as an individual entity. Woolgoolga Returned Services Club Limited is a public company limited by guarantee, incorporated and domiciled in Australia.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

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.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1 (q).

Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Income Tax

The income tax expense (income) 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. 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 profit or loss when the tax relates to items that are recognised outside 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, and their measurement also reflects the manner in which management expects to recover or settle 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.

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Current tax assets and liabilities are offset where a legally enforceable right to set-off exists and 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, and the deferred tax assets and liabilities relates 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.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value on a first-in, first-out basis.

(c) 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 losses.

Property

Freehold land and buildings are shown at cost less depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis less 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 expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining the recoverable amounts.

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 building and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives 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.

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

Class of Fixed Asset	Depreciation Rate
Buildings and Improvements	2.5 - 7.5%
Plant and equipment	11 - 20%
Poker machine equipment	30%
Motor vehicles	22.5%

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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

An assets' carrying amount is written down immediately to its recoverable amount if the assets' 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 reserve relating to that asset are transferred to retained earnings.

(d) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate 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 the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest rate method.

The effective interest rate 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 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.

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.

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

(i) Financial assets at fair value through profit and loss.

Financial assets are classified as 'fair value through profit and loss' when they are 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 the 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. Gains or losses are recognised in the profit or loss through the amortisation process and when the financial asset is derecognised.

(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 investment to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale financial assets

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

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into the profit or loss.

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

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss through the amortisation process and when the financial liability is derecognised.

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.

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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 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 the statement of comprehensive income.

(e) 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 of 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 receivable amount of the cash-generating unit to which the asset belongs.

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

(f) Intangibles

Poker Machine Entitlements

The poker machine entitlements shown in the accounts represent licences purchased by the club. The company holds other poker machine entitlements that have a market value. If the company were to be wound up or the number of entitlements were in excess of requirements then the poker machine entitlements would be able to be sold at the prevailing market price. Poker machine entitlements are intangible assets classified with an indefinite life. The intangible asset is subject to annual impairment testing to the higher of fair value less related costs to sell and value in use.

(g) 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 settled within one year have been 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.

(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 the end of the reporting period.

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

(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 within short-term borrowings in current liabilities on the statement of financial position.

(j) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

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 involvements 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 Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

(l) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period 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.

(m) Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction 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.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(n) Goods and Services Tax

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 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.

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

(o) Comparative Figures

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

(p) Going Concern

Notwithstanding the net loss from operating activities, the financial statements have been prepared on a going concern basis.

(q) 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.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1 (g), 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.

Note 2: New, revised or amending Accounting Standards and Interpretations adopted

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The company has decided not to early adopt any of new and amended pronouncements and that they would not have any material effect on the company's financial statements.

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Note 4: Revenue			
Operating activities:			
Sale of goods:			
Bar trading - Main club		776,676	821,947
Bar trading - Golf club		656,073	623,873
Restaurant trading		621,532	660,958
		<u>2,054,281</u>	<u>2,106,778</u>
Other revenue:			
Poker machines trading		1,710,384	1,806,574
TAB and Keno commissions		84,387	76,063
Health Club		68,410	68,277
Golf club operation		461,907	480,508
Motel operations		521,167	500,077
Membership subscriptions		29,074	30,415
Sub Clubs		86,446	96,694
Sundry income		336,165	172,038
Total revenue from operating activities		<u>3,297,940</u>	<u>3,230,646</u>
Non-operating activities:			
Dividends received		-	258
Interest received from other persons		5,090	12,002
Profit/(loss) on sale of fixed assets		3,055	-
Total revenue from non-operating activities		<u>8,145</u>	<u>12,260</u>
Total revenue		<u>\$ 5,360,366</u>	<u>\$ 5,349,684</u>

Note 5: Profit/(Loss) Before Income Tax Expense

Significant expenses

Cost of sales	819,376	854,378
Depreciation expense	276,617	266,226

Note 6: Income Tax Revenue/Expense

Reconciliation of prima facie tax refundable on profit/(loss) to income tax

Prima facie tax payable on loss	(140,193)	(31,268)
Less: Tax effect of;		
Principle of mutuality and non assessable income and non deductible expenses	13,894	(232,611)
Add:		
Tax losses not recognised as deferred tax assets	140,193	31,268
Income tax expense/(revenue) attributable to the company	<u>\$ 13,894</u>	<u>\$ (232,611)</u>

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Note 7: Cash and Cash Equivalents			
Cash on hand		66,016	64,425
Cash at bank		105,182	45,201
Term Deposit		-	450,000
Sub club accounts		68,726	73,699
		<u>\$ 239,924</u>	<u>\$ 633,325</u>
(a) 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		239,924	633,325
Bank Overdrafts	15	<u>(399,617)</u>	<u>(257,681)</u>
		<u>\$ (159,693)</u>	<u>\$ 375,644</u>
There are no restrictions with respect to access to the cash and cash equivalents			
Note 8: Trade and Other Receivables			
CURRENT			
Trade receivables		12,290	3,112
Other receivables		17,312	14,757
		<u>\$ 29,602</u>	<u>\$ 17,869</u>
Note 9: Inventories			
CURRENT			
Stock on Hand, at cost:			
Bar		31,540	40,726
Restaurant		9,736	10,758
		<u>\$ 41,276</u>	<u>\$ 51,484</u>
Note 10: Other Assets			
Prepayments		64,815	37,968
		<u>\$ 64,815</u>	<u>\$ 37,968</u>
Note 11: Financial assets			
NON-CURRENT			
Available-for-sale financial assets:			
- shares in listed corporations, at fair value		<u>\$ 2,254</u>	<u>\$ 2,254</u>

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Note 12: Property, Plant & Equipment			
Land and Buildings (at cost)			
Freehold land		990,082	990,082
Buildings		3,947,842	3,894,898
Less: Accumulated depreciation		(1,882,972)	(1,769,358)
		2,064,870	2,125,540
Coastal Cove		420,528	235,054
Total Land and Buildings		3,475,480	3,350,676
Plant and Equipment (at cost)			
Motor vehicles		48,866	49,998
Less: Accumulated depreciation		(25,286)	(33,508)
		23,580	16,490
Plant and equipment		2,943,303	2,860,019
Less: Accumulated depreciation		(2,334,331)	(2,176,838)
		608,972	683,181
Total Plant and Equipment		632,552	699,671
Total Property, Plant and Equipment		\$ 4,108,032	\$ 4,050,347
(a) Movements in carrying amounts			
	Land and Buildings	Plant and Equipment	Total
Balance at the beginning of the year	3,350,676	699,671	4,050,347
Additions	238,418	98,284	336,702
Disposals	-	(2,400)	(2,400)
Depreciation expense	(113,614)	(163,003)	(276,617)
Carrying amount at the end of the year	\$ 3,475,480	\$ 632,552	\$ 4,108,032

(b) There is a registered mortgage over 2 properties owned by the company.

(c) No impairment has been recognised in respect of plant and equipment.

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Note 13: Intangible Assets			
Poker machine entitlements (at cost)		924,600	1,005,000
Less: accumulated impairment losses		-	-
		<u>\$ 924,600</u>	<u>\$ 1,005,000</u>

Poker Machine Entitlements

Poker machine entitlements are assessed as having an indefinite useful life. The measurement and recognition criteria is outlined in note 1 to the financial statements

Poker machine entitlements have been impairment tested using calculations of the higher of fair value, less costs to realise, and value in use. The directors believe that the carrying amount of poker machine entitlements are not impaired and annual impairment testing has been conducted at 30 June 2017.

Note 14: Trade and Other Payables

CURRENT

Unsecured liabilities;

Trade payables	128,937	214,638
Income in advance	620,400	789,600
Sundry payables and accrued expenses	277,851	173,029
	<u>\$ 1,027,188</u>	<u>\$ 1,177,267</u>

Note 15: Borrowings

CURRENT

Secured liabilities:

Bank Overdraft	399,617	257,681
Premium loan funding	35,726	32,854
Loan - CBA	5,610	5,610
Lease liability	13,170	-
	<u>454,123</u>	<u>296,145</u>

NON-CURRENT

Secured liabilities:

Loan - CBA	9,818	15,428
Lease liability	26,762	-
	<u>36,580</u>	<u>15,428</u>

Total Borrowings

	<u>\$ 490,703</u>	<u>\$ 311,573</u>
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(a) Total current and non-current secured liabilities:

Bank Overdraft	399,617	257,681
Insurance premium funding	35,726	32,854
Loan - CBA	15,428	21,038
Lease liability	39,932	-
	<u>\$ 490,703</u>	<u>\$ 311,573</u>

20 (a)

(b) Guarantees

The Commonwealth Bank of Australia have provided a guarantee of \$5,000 (2016: \$5,000) to TAB Limited for the Clubs TAB operations.

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Note 16: Cash Flow Information			
(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax			
Profit from ordinary activities after income tax expense		(481,205)	128,383
Adjustments for :			
Non Cash flows in profit from ordinary activities:			
Depreciation		276,617	266,226
(Profit)/Loss on Sale of Fixed Assets		(42,655)	(84,599)
Changes in Assets and Liabilities:			
(Increase)/decrease in trade and other receivables		(11,733)	3,806
(Increase)/decrease in inventories		10,208	651
(Increase)/decrease in prepaid expenses		(26,847)	(5,633)
(Increase)/decrease in deferred tax		13,894	(232,611)
Increase/(decrease) in income in advance		(169,200)	789,600
Increase/(decrease) in creditors and accruals		19,122	(1,092)
Increase/(decrease) in provisions		29,131	(50,443)
Increase/(decrease) in other liabilities		21,385	1,023
		<u>\$ (361,283)</u>	<u>815,311</u>

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Note 17: Tax assets and liabilities			
(a) Liabilities			
NON-CURRENT			
Deferred tax liability		<u>\$ 283,293</u>	<u>\$ 303,585</u>
(b) Assets			
CURRENT			
Income tax		<u>\$ -</u>	<u>\$ -</u>
NON-CURRENT			
Deferred tax asset		<u>\$ 237,138</u>	<u>\$ 271,324</u>

(c) Movement in deferred tax asset and liability is as follows:

	Opening Balance \$	Charged Directly to Income Statement \$	Charged Directly to other Comprehensive Income \$	Changes in Tax Rate \$	Closing Balance \$
Deferred tax liability					
Property, plant and equipment:					
- tax allowances	-	-	-	-	-
Prepayments	1,941	144	-	-	2,085
Poker machine entitlements	<u>301,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>301,500</u>
Balance at 30 June 2016	<u>\$ 303,441</u>	<u>\$ 144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 303,585</u>
Property, plant and equipment:					
- tax allowances	-	-	-	-	-
Prepayments	2,085	3,828	-	-	5,913
Poker machine entitlements	<u>301,500</u>	<u>(24,120)</u>	<u>-</u>	<u>-</u>	<u>277,380</u>
Balance at 30 June 2017	<u>\$ 303,585</u>	<u>\$ (20,292)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 283,293</u>

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 17: Tax assets and liabilities (continued)

	Opening Balance	Charged Directly to Income Statement	Charged Directly to other Comprehensive Income	Changes in Tax Rate	Closing Balance
Deferred tax asset					
Provisions - employee benefits	31,961	(885)	-	-	31,076
Income in Advance (TAB)	-	236,880	-	-	236,880
Accruals and other items	6,608	(3,240)	-	-	3,368
Balance at 30 June 2016	<u>\$ 38,569</u>	<u>\$ 232,755</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 271,324</u>
Provisions - employee benefits	31,076	15,580	-	-	46,656
Income in Advance (TAB)	236,880	(50,760)	-	-	186,120
Accruals and other items	3,368	994	-	-	4,362
Balance at 30 June 2017	<u>\$ 271,324</u>	<u>\$ (34,186)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 237,138</u>

Note 18: Provisions

	Employee Benefits \$	Total \$
Opening balance at 1 July 2016	482,242	482,242
Net amounts used	29,130	29,130
Balance at 30 June 2017	<u>\$ 511,372</u>	<u>\$ 511,372</u>
Analysis of total provisions	2017 \$	2016 \$
Current	491,936	402,351
Non-current	19,437	79,891
	<u>\$ 511,373</u>	<u>\$ 482,242</u>

Provision for employee benefits

A provision has been recognised for employee entitlements relating to annual and long service leave. 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 historical data. The measurement and recognition criteria relating to employee benefits has been included in note 1 to this report.

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Note 19: Other Liabilities			
CURRENT			
Subscriptions received in advance		<u>84,287</u>	<u>62,902</u>
		<u>\$ 84,287</u>	<u>\$ 62,902</u>
Note 20: Capital and Leasing Commitments			
(a) Finance Lease Commitments			
Payable - minimum lease payments:			
- not later than 12 months		13,170	-
- between 12 months and five years		<u>26,762</u>	<u>-</u>
Minimum lease payments	15 (a)	<u>\$ 39,932</u>	<u>\$ -</u>
(b) Operating Lease Commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements.			
Payable - minimum lease payments:			
- not later than 12 months		50,000	29,322
- between 12 months and five years		<u>185,221</u>	<u>-</u>
- greater than five years		<u>-</u>	<u>-</u>
		<u>\$ 235,221</u>	<u>\$ 29,322</u>
(c) Capital Expenditure Commitments			
As at 30 June 2017, the company had not engaged in any capital commitments.			
Note 21: Events After the End of the Reporting Period			

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.

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note	2017	2016
	\$	\$

Note 22: Financial Risk Management

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

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:

Financial assets

Cash and cash equivalents	7	239,924	633,325
Loans and receivables	8	29,602	17,869
Available-for-sale financial assets, at fair value	11	2,254	2,254
		<u>\$ 271,780</u>	<u>\$ 653,448</u>

Financial liabilities

Financial liabilities at amortised cost:			
Trade and other payables	14	1,027,188	1,177,267
Borrowings	15	490,703	311,573
		<u>\$ 1,517,891</u>	<u>\$ 1,488,840</u>

Note 23: Related Party Transactions

Key Management Personnel

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

Key management personnel compensation - top 6 staff	<u>\$ 559,639</u>	<u>\$ 574,598</u>
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Other 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.

Transactions with related parties were:

Directors Honorariums	<u>\$ -</u>	<u>\$ -</u>
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Note that an amount of \$500 per director was credited to club membership cards in lieu of the expenses incurred by directors in performing their duties.

Note 24: Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the company will be able to continue their trading activities. The company has recognised a loss before income tax of \$481,205 for the year ended 30 June 2017 however as at that date, current liabilities exceed current assets by \$1,681,917. Current liabilities includes income in advance of \$620,400, being a contribution from Tabcorp Gaming Services (TGS) that will be released to income over the remaining term of the 5 year contract. The Company's ability to continue as a going concern is dependent on a number of factors including the ability of the company to perform in line with budgets and cash flow projections. The Company is currently reviewing their operations and is undertaking new business opportunities in an effort to generate positive cash flows. The Directors have determined that the going concern assumption is appropriate for the preparation of the financial statements.

Note 25: Company Details

The club is incorporated and domiciled in Australia as a company limited by guarantee.

The registered office and principal place of business is:

Woolgoolga Returned Services Club Limited
 17 Beach Street
 WOOLGOOLGA NSW 2456

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

**DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2017**

The directors of the company declare that:

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED

1. the financial statements and notes, as set out in pages 5 to 24, 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 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.



T. Goldthorpe
Director

Dated: 29-8-17



Director



Tel: (02) 6652 2333
Fax: (02) 6651 2958

13 - 15 Park Avenue
(PO Box 919)
Coffs Harbour NSW 2450

enquiries@hqb.com.au
www.hqb.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
WOOLGOOLGA RETURNED SERVICES CLUB LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Woolgoolga Returned Services Club Limited ('the Company'), which comprises the statement of financial position as at 30 June 2017, 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.

In our opinion, the accompanying financial report is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the financial position of the Company as at 30 June 2017, and of its financial performance and its cash flows for the year then ended
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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. Our responsibilities under those standards are further described in the *Auditor's Responsibility* section of our report. We are independent of the Company in accordance with 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without qualifying our audit opinion, we draw attention to Note 24 in the financial report, which discloses that the company incurred a loss before income tax of \$481,205 for the year ended 30 June 2017, and at 30 June 2017 the current liabilities exceeded the current assets by \$1,681,917. These conditions, along with other matters set out in Note 24, indicate the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore the company may be unable to realise its assets and discharge its liabilities in the normal course of business or for the balances disclosed in the financial report.

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 and the *Corporations Act 2001*, and for such internal control as management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

The information contained in this document may be confidential, and may also be subject of legal professional privilege.
Liability limited by a scheme under Professional Standards Legislation.

HQB Chartered Accountants is not a Financial Services Provider. Any financial product advice contained in this communication is of a factual basis only.
Financial product advice can be obtained from an AFSL such as HQB Financial Solutions Pty Ltd.

In preparing the financial report, the directors are responsible for assessing 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 management either intends to liquidate the Company or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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 this financial report.

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

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 entity'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 entity's internal control.

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.

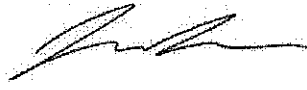
An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We 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.

We 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.

HQB Chartered Accountants

A handwritten signature in black ink, appearing to read 'James Davis', with a stylized flourish at the end.

James Davis – Partner in HQB Chartered Accountants

13-15 Park Avenue
Coffs Harbour
Dated: 29/8/2017