



41ST ANNUAL REPORT 2015

ROCKDALE RSL SUB-BRANCH CLUB LTD
ABN: 48 001 286 228

PRESIDENTS REPORT 2015

Dear Members,

On behalf of the Board of Directors of Rockdale RSL Sub-branch Club Limited, I present to you the 41st Annual Report for the period ending 31 December 2015.

This year has once again been a difficult and challenging period. Trading continued to decline in the face of ever increasing competition, rising costs, and an uncertain economic growth. Expenditure reduced slightly which was a pleasing factor when costs have risen at a greater rate than inflation.

Our gross Gaming income was in line with the previous year, but our net income was lower due to increased payouts. Bar sales were down slightly, reflecting the community trend to responsible attitude to drinking. Overall, our total operating income was down approximately 5.6%. On a more positive side, our overall expenditure reduced by approximately 1.2%, but there is more needed in this aspect of our business. Both our Secretary Manager, Bill Campbell, and our auditor, Paul de Maria, will enhance upon these figures separately.

During the year, the Club has had ongoing negotiations with Rockdale RSL Sub-branch and RSL Custodian Limited to purchase the property on which the Club is situated. I am pleased to announce the negotiations have concluded on an amicable basis to all parties, and the Club will move to purchase the property in early 2016. The purchase will be on a 'back to back' purchase agreement involving a third party, which will enable the Club to build new premises. This is a wonderful opportunity, which will herald in a new era for both our Club and the Rockdale RSL Sub-branch, and allow the Club to control its own destiny. The Board will convey the full details of the proposal on our website and in-house displays as they progress.

I would like to thank Bill Campbell, his management team, and all the staff for their continued support during the year. Our accountant Paul de Maria, from Hales Redden has contributed sound financial advice as usual throughout the year.

To you all, I thank you for your ongoing support. Our membership has increased by nearly 11% during the year, and I welcome all those new members into our Club. I look forward to seeing you all in the Club during the coming year.

Andrew P. Dale
President
Chairman of the Board of Directors

20 April 2016

Dear Members

2015 was a challenging one for the Directors Management and Staff.

Rental income was down by \$27,913 (15%) from 2014. Part of this reduction was due to disposal of property.

Bar income was down \$30,323 (5%) from 2014

Income from Keno and Tab and other commissions were down \$8,586 (6.75%) from 2014. However with reduced costs in this area a profit of \$2,267 compared with a loss of \$2,646 in 2014 was achieved.

Poker Machine revenue was down \$159,036 (5%) for the year. We continue to provide the latest machines available for members and visitors.

A reduction of general expenses of \$139,843 was negated by the reduction of revenue from poker machine income.

During the year we maintained our responsibilities under the club grants scheme with contributions to the local community, charities and local sporting bodies.

Directors and Management realize that good service from staff and support from members is vital in the day to day performance of the Club. Your staff have been reminded of this and it is now up to them to perform their duties in the manner expected of them.

It would be remiss of me to not mention the death of Steve Dellar. Although he was a Director for a very short time he was a member of the Club and Sub-Branch for many years.

A special thank you to the office staff Jennean, Bill, Natasa and Denise and also to our Duty Managers Jon, Steve, Rowland and Milos and to all our other staff your efforts are appreciated.

President Andrew and the Board of Directors thank you for having faith in me to implement your policies and directions.

Bill Campbell
Secretary Manager

ROCKDALE RSL SUB-BRANCH CLUB LTD
ABN: 48 001 286 228

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2015

**Liability limited by a scheme approved under
Professional Standards Legislation**

ROCKDALE RSL SUB-BRANCH CLUB LTD
A.B.N: 48 001 286 228

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
Revenue	2	3,877,764	4,107,130
Cost of sales		(282,165)	(279,866)
Gross profit		3,595,599	3,827,264
Depreciation and amortisation expenses		(357,063)	(427,866)
Finance costs		(14,190)	(25,343)
Other expenses	3	(3,849,633)	(3,893,327)
Profit/(Loss) before income tax		(625,287)	(519,273)
Income tax expense	4	(43,039)	(94,099)
Loss after income tax		(668,326)	(613,372)
Other comprehensive income:			
Net gain on sale of Property		346,811	586,339
Other comprehensive income for the year, net of tax		346,811	586,339
Total comprehensive income attributable to members of the entity		(321,514)	(27,034)

The accompanying notes form part of these financial statements.

ROCKDALE RSL SUB-BRANCH CLUB LTD
A.B.N: 48 001 286 228

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	5	299,421	271,851
Trade and other receivables	6	124,135	130,158
Inventories	7	73,852	74,108
TOTAL CURRENT ASSETS		<u>497,409</u>	<u>476,117</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	3,598,394	3,951,782
TOTAL NON-CURRENT ASSETS		<u>3,598,394</u>	<u>3,951,782</u>
TOTAL ASSETS		<u>4,095,803</u>	<u>4,427,899</u>
CURRENT LIABILITIES			
Trade and other payables	9	539,432	306,217
Financial liabilities	10	105,858	317,183
Provisions	11	286,018	257,508
TOTAL CURRENT LIABILITIES		<u>931,308</u>	<u>880,908</u>
NON-CURRENT LIABILITIES			
Trade and other payables	9	23,984	84,965
TOTAL NON-CURRENT LIABILITIES		<u>23,984</u>	<u>84,965</u>
TOTAL LIABILITIES		<u>955,292</u>	<u>965,873</u>
NET ASSETS		<u>3,140,511</u>	<u>3,462,026</u>
EQUITY			
Retained earnings	12	3,140,511	3,462,026
TOTAL EQUITY		<u>3,140,511</u>	<u>3,462,026</u>

The accompanying notes form part of these financial statements.

ROCKDALE RSL SUB-BRANCH CLUB LTD
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Retained Earnings / (Accumulated losses) \$	Total \$
At 1 January 2014		3,489,059	3,489,059
Loss for the year		(27,034)	(27,034)
At 31 December 2014		3,462,025	3,462,025
Loss for the year		(321,514)	(321,514)
		(321,514)	(321,514)
At 31 December 2015		3,140,511	3,140,511

The accompanying notes form part of these financial statements.

ROCKDALE RSL SUB-BRANCH CLUB LTD
A.B.N: 48 001 286 228

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	3,880,854	4,107,125
Payments to suppliers and employees	(3,922,672)	(4,319,926)
Interest received	1	5
Income Taxes (Paid)/Refunds		
Net cash provided by (used in) operating activities	<u>(41,817)</u>	<u>(212,796)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	529,742	945,131
Payments for property, plant and equipment	(176,354)	(248,738)
Net cash provided by (used in) investing activities	<u>353,388</u>	<u>696,393</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Funds (to)/from borrowings	(79,750)	(168,601)
Net cash provided by (used in) financing activities	<u>(79,750)</u>	<u>(168,601)</u>
Net increase (decrease) in cash held	231,821	314,996
Cash at beginning of year	49,164	(265,832)
Cash at end of year	<u><u>280,985</u></u>	<u><u>49,164</u></u>

The accompanying notes form part of these financial statements.

ROCKDALE RSL SUB-BRANCH CLUB LTD
A.B.N: 48 001 286 228

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Corporate Information

The financial statements of the Rockdale RSL Sub-Branch Club Ltd (the Company) for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of directors on 18 April 2016

The Rockdale RSL Sub-Branch Club Ltd is a company limited by guarantee, incorporated and domiciled in Australia. The address of the Company's registered office is 41-45 Bay Street, Rockdale, New South Wales, 2216.

The Company is primarily involved in the conduct and promotion of a licensed social club for its members and non-member visitors to the Company's facilities.

1 Statement of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASBs) and Interpretations issued by the Australian Accounting Standards Board (AASB), the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

Revenue Recognition

Revenue is recognised when the Company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office. Sales revenue is recognised when the control of goods passes to the customer.

Interest income on bank deposits is recognised as it accrues in profit or loss, using the effective interest method.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category they have been allocated to activities on a basis consistent with use of the resources.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

ROCKDALE RSL SUB-BRANCH CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Inventories

Inventories are measured at the lower of cost and or net realisable value. The cost of inventories is based on the first-in-first-out (FIFO) principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

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

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. Investment properties are derecognised when they have been disposed of. Any gain or losses on disposal of an investment property are recognised in statement of comprehensive income in the year in which they arise.

Freehold land and buildings are measured initially at cost, including transaction costs.

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

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

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

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life's of each component of an item of property, plant and equipment. Land is not depreciated.

The average depreciation rates in the current and comparative years are as follows:

- Leasehold Improvements - 10%
- Plant and Equipment - 20% - 30%
- Motor Vehicles - 25%

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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.

Trade Creditors and Other Payables

Trade payables and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid. These amounts are usually settled in accordance to terms of trade. The carrying amount of the creditors and payables is deemed to reflect fair value.

Employee Benefits

Provision is made for the liability due to employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year together with benefits arising from wages and salaries, sick leave and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimate future cash outflows to be made for those benefits.

Contributions are made to employee superannuation funds and are charged as expenses when incurred. All employees are entitled to varying levels of benefits on retirement, disability or death. The superannuation plans or equivalent provide accumulated benefits. Contributions are made in accordance with the statutory requirements of each jurisdiction.

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.

Income Tax

Based upon the provisions of the Income Tax Act the company is liable for income tax only on the proportion of other net income deemed to be derived from the activities of non members based on the formula based on attendance surveys.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian 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 balance sheet are shown inclusive of GST.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
2 Revenue		
Operating Activities (Revenue);		
Bar Sales	552,027	582,350
Poker Machine Takings	3,013,845	3,172,881
Interest Received	1	5
Rental Income	170,129	206,515
Commissions	120,533	124,204
Insurance Recovery	17,028	3,100
Sundry Income	-	4,977
Members Subscriptions	16,428	13,098
Loss on Sale of Non-Current Assets	- 12,227	-
	<u>3,877,764</u>	<u>4,107,131</u>
Non operating		
Capital Profit on Sale of Properties	346,811	586,339
Total Revenue	<u><u>4,224,575</u></u>	<u><u>4,693,469</u></u>
3 Expenses from Ordinary Activities		
Expenses		
Employee Wages	1,006,148	975,311
Entertainment	485,792	475,600
Poker Machine Duty	492,158	519,948
Other expenses from ordinary activities	1,865,535	1,922,468
Total Expenses	<u><u>3,849,633</u></u>	<u><u>3,893,327</u></u>
4 Income Tax Expense		
Income Tax Expense	43,039	94,099
Total Income Tax Expense	<u><u>43,039</u></u>	<u><u>94,099</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
5 Cash and Cash Equivalents		
Current		
Cash on Hand	202,230	245,000
TAB Float	5,000	5,000
Gift Vouchers Control Account	12,380	3,740
National Australia Bank - Inv A/C	74,971	-
National Australia Bank - Tab	-	1
National Australia Bank - Card It	3,840	3,840
National Australia Bank - SWL	1,000	14,270
	<u>299,421</u>	<u>271,851</u>
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on Hand	202,230	245,000
TAB Float	5,000	5,000
Gift Vouchers Control Account	12,380	3,740
National Australia Bank Accounts	61,375	(204,576)
	<u>280,985</u>	<u>49,164</u>
6 Trade and Other Receivables		
Current		
Sundry Debtors	26,429	8,875
GST Clearing Account	2,180	7,724
Tax Refundable	-	-
Prepayments	95,526	113,559
Total Trade and Other Receivables	<u>124,135</u>	<u>130,158</u>
7 Inventories		
Current		
Trading Stock - at cost	73,852	74,108
Total Inventories	<u>73,852</u>	<u>74,108</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
8 Property, Plant and Equipment		
FREEHOLD PROPERTY		
Pre Acquisition Costs	53,445	6,800
7/10 Chapel Street Rockdale	-	150,760
Lot 10 Catalina Close Nelsons Bay	296,913	296,913
18 Rigney St Shoal Bay	309,564	309,564
41 Bay Street Rockdale	1,309,892	1,309,892
7 Palm Street Tuncurry	519,519	519,519
	<u>2,489,333</u>	<u>2,593,448</u>
LEASEHOLD IMPROVEMENTS		
Property Leasehold Improvements	4,490,509	4,490,509
Less accumulated depreciation	<u>(4,262,840)</u>	<u>(4,187,498)</u>
	<u>227,669</u>	<u>303,011</u>
Total Land and Buildings	<u>2,717,002</u>	<u>2,896,459</u>
PLANT AND EQUIPMENT		
Plant and Equipment	1,820,890	1,793,235
Accumulated depreciation	<u>(1,620,113)</u>	<u>(1,566,082)</u>
	200,777	227,153
Motor Vehicles	35,966	35,966
Accumulated depreciation	<u>(30,938)</u>	<u>(29,262)</u>
	5,028	6,704
Poker Machines	2,605,689	2,648,021
Accumulated depreciation	<u>(2,057,495)</u>	<u>(1,975,102)</u>
	548,194	672,919
Bar Furniture & Fittings	359,775	359,775
Accumulated depreciation	<u>(338,973)</u>	<u>(334,323)</u>
	20,802	25,452
Unit Furniture & Fittings	89,628	99,829
Accumulated depreciation	<u>(55,838)</u>	<u>(57,399)</u>
	33,790	42,430

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
Air Conditioning Plant	393,160	393,160
Accumulated depreciation	<u>(346,612)</u>	<u>(340,604)</u>
	46,548	52,556
Café Equipment	76,944	76,944
Accumulated depreciation	<u>(69,055)</u>	<u>(67,199)</u>
	7,889	9,745
Crockery, Cutlery & Utensils	<u>18,364</u>	<u>18,364</u>
Total Plant and Equipment	<u>881,392</u>	<u>1,055,323</u>
Total Property, Plant and Equipment	<u><u>3,598,394</u></u>	<u><u>3,951,782</u></u>
9 Trade and Other Payables		
Current		
Members Cashless Liability	3,999	-
GST & Income Tax Payable	163,896	104,264
Trade Creditors	366,217	193,379
Income in Advance	5,320	8,574
Current Trade and Other Payables	<u><u>539,432</u></u>	<u><u>306,217</u></u>
Non-Current		
Trade Creditors	23,984	84,965
Non Current Trade and Other Payables	<u>23,984</u>	<u>84,965</u>
Total Trade and Other Payables	<u><u>563,416</u></u>	<u><u>391,182</u></u>

ROCKDALE RSL SUB-BRANCH CLUB LTD
A.B.N: 48 001 286 228

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
10 Financial Liabilities		
Current		
National Australia Bank	18,436	222,687
Hunter Premium Funding	84,999	87,336
Less: Unexpired Interest	-	-
GST Rebate Scheme	8,588	7,160
Total Financial Liabilities	<u>105,858</u>	<u>317,183</u>
11 Provisions		
Provision for Holiday Pay	129,325	115,554
Provision for Long Service Leave	156,693	141,954
Total Provisions	<u>286,018</u>	<u>257,508</u>
12 Retained Earnings		
Retained earnings at the beginning of the financial year	3,462,026	3,489,060
Net profit/(loss) attributable to members of the company	<u>(321,514)</u>	<u>(27,034)</u>
Retained earnings at the end of the financial year	<u>3,140,511</u>	<u>3,462,026</u>
13 Cash Flow Information		
Reconciliation of net cash		
Operating profit (loss) after income tax	(321,514)	(27,034)
<u>Non Cash Flows in Operating Profit:</u>		
Amortisation	75,344	149,244
Depreciation	281,719	278,622
Net gain on disposal of Property	(346,811)	(586,339)
<u>Change in Assets & Liabilities:</u>		
(Increase)/Decrease in Sundry Debtors	(12,010)	(3,028)
(Increase)/Decrease in Current Inventories	256	(7,413)
(Increase)/Decrease in Prepayments	24,210	41,119
Increase/(Decrease) in Sundry Creditors	15,857	10,164
Increase/(Decrease) in Trade Creditors	172,838	(128,201)
Increase/(Decrease) in Income in Advance	(3,255)	(4,928)
Increase/ (Decrease) in Provisions	28,511	(29,101)
Increase/ (Decrease) in Tax Liability	43,039	94,099
Net Cash Provided by Operating Activities	<u>(41,817)</u>	<u>(212,796)</u>

ROCKDALE RSL SUB-BRANCH CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
<hr/>		
14 Financial Instruments		
Financial Risk Management		
The company's financial instruments consists primarily of deposits with banks, cash on hand, core and non core real estate assets, accounts receivable and payable, finance arrangements and leases.		
The company does not have any derivative instruments at 31 December 2015		
15 Capital Commitments		
There are no capital expenditure commitments contracted for at balance date. Subsequent to the balance date the club has exchanged back to back contracts to purchase 45 Bay Street Rockdale (The trading club premises) from RSL Custodian Ltd.		
16 Related Parties and Related-Party transactions		
(a)	As authorised at the Company's Annual General Meeting, the President received a \$3,500 honorarium (2014: \$3,500). With the exception of this, no other director received any remuneration during the year, or in prior year.	
	During the year, conference and seminar expenses totalling \$0 (2014: \$295) incurred by directors in fulfilling their role were reimbursed.	
	There were no person(s) related to a director or top executive employed during the year.	
(b)	The club did not enter into any contract with any of the directors or top executives during the year, or in any contract in which a director or top executive had an interest.	
(c)	The club did not incur any legal fees on behalf of its directors, top executives or employees during the year.	
17 Net Revenue from Poker Machine Takings		
The total amount of profits (within the meaning of the Gaming Machines Act 2001) from the operations of approved gaming machines in the club during the 12 month gaming machine tax period ending on 31 August 2015 was \$3,038,694		
18 Community Development and Support		
The amount applied by the Club to the Community Development and Support under part 4 of the Gaming Machine Tax Act 2001 for the year ended 31 August 2015 was \$42,714		

ROCKDALE RSL SUB-BRANCH CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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(a) the financial statements and notes that are attached are in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2015 and of its performance for the financial year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and

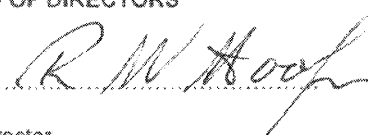
(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors by:

SIGNED in accordance with the resolution of the BOARD OF DIRECTORS


.....

Chairman of Directors


.....

Director

Dated 18th April 2016

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ROCKDALE RSL SUB-BRANCH CLUB LTD
A.B.N: 48 001 286 228**

Report on the Financial Report

We have audited the accompanying financial report of Rockdale RSL Sub Branch Club Ltd (the "Company") which comprises the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the director's declaration.

Director's Responsibility for the Financial Report

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

Auditors' Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with the 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 whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the director, as well as evaluating the overall presentation of the financial report.

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

Independence

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

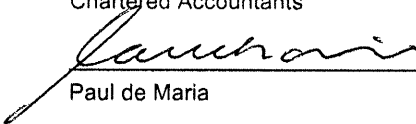
**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ROCKDALE RSL SUB-BRANCH CLUB LTD
A.B.N: 48 001 286 228**

Auditors' Opinion

In our opinion the financial report of Rockdale RSL Sub-Branch Club Ltd is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Name of Firm: Hales Redden
Chartered Accountants

Name of Director: 
Paul de Maria

Address: 24 Bay Street Rockdale NSW 2216

Dated this ^{5th} **day of** May 2016

ROCKDALE RSL SUB-BRANCH CLUB LTD

A.B.N: 48 001 286 228

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors of Rockdale RSL Sub-Branch Club Ltd present their report of the financial reports of the Company (the Company or the Club) for the financial year ended 31 December 2015 and the auditor's report thereon.

DIRECTORS

The directors of the Company at any time during or since the end of the financial year are as follows. All directors held office for the entire financial year and up to the date of this report, unless otherwise stated:

Dale, Andrew Phillip

Position - President

Director - Appointed 6 April 1992

Club membership - Joined 1983

Qualifications - Naval officer

Hooper, Ronald William

Position - Associate Director and member of all Sub committees

Director - Appointed 6 April 1992

Club membership - Joined 1979

Qualifications - Retired gaming security

Johansen, Keith William

Position - Associate Director and member of all Sub committees

Director - Appointed 4 July 2012

Club membership - Joined 1960

Qualifications - Retired bank manager

Johnson, Barry Robert

Position - Associate Director and member of all Sub committees

Director - Appointed 19 May 2013

Club membership - Joined 1998

Qualifications - Retired sheet metal worker

Mann,Christina

Position - RSL Director and member of all Sub committees

Director - Appointed 25 May 2014

Club Membership - Joined 2010

Qualifications – Judicial Clerk

Dellar, Stephen Ross

Position - RSL Director and member of all Sub committees

Director - Appointed 17 August 2015 (Deceased 2 March 2016)

Club membership - Joined 1992

Qualifications – Naval Personnel (Retired)

COMPANY SECRETARY

William Richard CAMPBELL held the position of Company Secretary at the end of the financial year.

William Richard CAMPBELL was appointed Company Secretary on 29 May 2006.

DIRECTORS MEETINGS

The number of directors' meetings (including meetings of committees of directors) attended by each of the directors and number of meetings of the Company during the financial year are:

	Board Meetings		Committee Meetings	
	Number of meetings attended	Number of meetings held*	Number of meetings attended	Number of meetings held*
A Dale	7	8	-	-
R Hooper	8	8	-	-
K Johansen	7	8	-	-
B Johnston	8	8	-	-
C Mann	8	8	-	-
S Dellar	3	3	-	-

* Number of meetings held during the time the Director held office during the year

OBJECTIVES AND STRATEGIES

Short term objectives:

To turn the Clubs results into profit to then reduce debt in order to have the ability to provide for the use of members and their guests a welcoming Community Club with modern facilities and amenities. To continue to support the wider local community and foster a relationship to maximise our exposure and involvement with our local area.

Long term objectives:

The Club's objectives are focused on two key areas - the provision of premium recreational and leisure facilities and services to the local community and the promotion of the social welfare of its members and local community. This is achieved through the provision of excellent customer service and facilities which are targeted at the local demographic while maintaining the objective of the Club and the RSL movement through prudent resource management and social responsibility.

The Club continues its long term strategy of solid financial investment in the building infrastructure and operational facilities to enhance and grow its presence with members, visitors and the community .

Strategies

The Club's Strategic Plans are reviewed on a regular basis to ensure relevance in achieving our goals. Through the use of professional finance management and key performance indicators combined with proactive culture these strategies are achieved.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year has continued to be that of a licensed social club for its members and non-member visitors.

There were no significant changes in the nature of the activities of the Company during the year.

OPERATING AND FINANCIAL REVIEW

The net operating loss after providing for income tax amounted to \$668,325 less profit on sale of Club Real Estate for \$346,811, thus resulting in an overall loss for the year of \$321,514. This compares with the ordinary operating loss of \$613,373 the previous year less profit on sale of Club Real Estate for \$586,339, resulting in an overall loss for the year of \$27,034.

Reports on expenses and revenue streams are utilised to make informed and accurate financial decisions. The Board of directors consider these measures to be the key to a sound financial management ensuring business activities are managed in a pro-active manner. These reports are linked to the short and long term objectives and strategies to ensure the business activities are on track.

MEMBERSHIP

Rockdale RSL Sub-Branch Club Limited is a company limited by guarantee and without share capital under the Corporations Act, incorporated in Australia. The amount of capital which is capable of being called up in the event of and only for the purpose of, a winding up of the company is not to exceed \$2.00 per member virtue of the Company's Memorandum and Articles of Association.

The number of financial members at the end of the year was 3188 (2014: 2872)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Rockdale RSL Sub-branch Club Limited (the Club) has entered into negotiations with Rockdale RSL Sub-branch (the Sub-branch) for the purchase of the property known as 45 Bay Street, Rockdale, being the property upon which the Club is situated.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is attached and forms part of the Directors' Report for the financial year ended 31 December 2015.

This report is made in accordance with a resolution of the directors:



Chairman of Directors



Director

Dated this 18th day of April 2016

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF
ROCKDALE RSL SUB-BRANCH CLUB LTD**

We hereby declare that, to the best of our knowledge and belief, during the financial year ended 31 December 2015 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.

Name of Firm: Hales Redden
Chartered Accountants

Name of Director:



Paul de Maria

Address: 24 Bay Street, Rockdale NSW 2216

Dated this 5th day of May 2016.

ROCKDALE RSL SUB-BRANCH CLUB LIMITED

Core and Non Core Properties 2015

Core Properties

Lot 10 Catalina Close Nelson Bay
18 Rigney Street Shoal Bay
7 Palm Street Tuncurry

Non Core Properties

7/10 Chapel Street Rockdale
41 Bay Street Rockdale