



42ND

ANNUAL REPORT

2016



PRESIDENTS REPORT 2016

Fellow Members,

I present to you the 42nd Annual Report for the period ending 31 December 2016 on behalf of the Board of Directors of Rockdale RSL Sub-branch Club Limited.

Trading for 2016 was flat and continued to reflect the difficult trading conditions in which we operate. Total revenue for the year was down approximately 1.28%, due mainly to the decrease in Gaming income of around 6.31% and Bar sales of around 7.93% over the previous year.

On a positive note, major expenditure items were down 8.66% over the previous year, whilst general expenditure increased slightly by 0.97% or \$18,280. In the light of increased electricity and gas charges and the normal CPI increases passed on by our suppliers, our expenditure constraint was admirable.

The Club successfully negotiated with the Sub-Branch and RSL Headquarters to purchase the premises in which we reside. An extended settlement date was agreed and the Club will complete the purchase on or about the 1st July 2017. The contract contains a confidentiality clause which precludes either side from disclosing the purchase price to be paid by the Club. Suffice to say, the Sub-Branch generously fought RSL Headquarters to agree to a figure which was less than the valuations each party obtained from independent Valuers. This reduction reflects the value of the assets paid for by the Club and the support given to the Sub-branch by the Club over many years. The Board of Directors are grateful to the Sub-branch for their actions in achieving the recognising the financial contribution by the Club over many, many years.

Following settlement, a new Club will be constructed across the present site and the old Fire Station site next door. The new Club will reflect the current modern trends seen throughout the industry, and is envisaged to become the centre of family and community patronage in the Rockdale area. It is intended to have a number of Member briefings as we move towards the construction period.

The wellbeing of staff as a result of any decisions of the Board is paramount. It is the Boards intention to ensure that all staff are kept aware of the progress and meetings with staff will be held at appropriate times. My number one priority is to guarantee that all staff entitlements are paid – this may well mean that some or all our assets are sold to meet this obligation. These assets were purchased in previous years, during better trading periods of the Club, and funds at the time were set aside for future staff and member contingencies.

2017 and beyond will see an exciting period in the history of this Club as we will now be able to control our own destiny following the purchase of the present Club premises. I look forward to joining you in this journey over the next few years.

Andrew P Dale
President
Chairman of Directors

SECRETARY MANAGERS REPORT

Dear Members,

2016 once again proved to be a challenge for Directors and Management.

Revenue was decreased by 1.28% [\$49815.00] on the previous year.

The main areas of reduction were:-

Gaming - Income was down 6.31% [\$190271]

Bar Trading - Income was down 7.93% [\$43803].

During the year it was necessary to cancel some of the promotions and entertainment provided for members in order to reduce expenditure.

Other areas of reductions were wages of 4.66% [\$46862] and entertainment 18.32% [\$88992]

As the President has informed you a new Club will be built on the land on which the Club and old fire station stands. It will be an exciting new development which I am sure Members and Visitors will appreciate with facilities and entertainment second to none in this area.

I would like to thank President Andrew and The Board of Directors for having the faith in me to implement their policies and directions.

With the impending closure of the Club for rebuilding and not having a firm date for this I would like to thank all staff for your loyalty and dedication during these times of uncertainty.

BILL CAMPBELL

Secretary Manager

ROCKDALE RSL SUB-BRANCH CLUB LTD

A.B.N: 48 001 286 228

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

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 2016 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 - RSL Director, President and Chairman
Director - Appointed 6 April 1992
Club membership - Joined 1983
Qualifications - Naval officer

Hooper, Ronald William

Position - Associate Director
Director - Appointed 6 April 1992
Club membership - Joined 1979
Qualifications - Retired gaming security

Johansen, Keith William

Position - RSL Director
Director - Appointed 4 July 2012
Club membership - Joined 1960
Qualifications - Retired bank manager

Johnson, Barry Robert

Position - Associate Director
Director - Appointed 19 May 2013
Club membership - Joined 1998
Qualifications - Retired sheet metal worker

Mann,Christina

Position - Associate Director

Director - Appointed 25 May 2014

Club Membership - Joined 2010

Qualifications – Judicial Clerk

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 | |
|------------|-----------------------------|--------------------------|
| | Number of meetings attended | Number of meetings held* |
| A Dale | 8 | 10 |
| R Hooper | 10 | 10 |
| K Johansen | 10 | 10 |
| B Johnston | 10 | 10 |
| C Mann | 9 | 10 |
| | | |

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

OBJECTIVES AND STRATEGIES

Short term objectives:

To turn the Club’s 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. This strategy is to be read in conjunction with the long term objectives after the redevelopment of the Club site.

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 owns the old Rockdale Fire Station site adjacent to the current Club premises. Following the purchase of the current Club premises site from Rockdale RSL Sub-branch, the long term strategy is to construct a new single storey Club across both sites.

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. Prior to occupying the new Club premises further strategic plans will be developed.

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 for the year is \$464,304. This compares with the ordinary operating loss of \$668,326 the previous year less profit on sale of Club Real Estate for \$346,811, resulting in an overall loss for the year of \$321,514.

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 2845 {2015: 3188}

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Rockdale RSL Sub-branch Club Limited (the Club) successfully completed negotiations with Rockdale RSL Sub-branch (the Sub-branch) for the purchase of the property known as 45 Bay Street, Rockdale. Contracts have been exchanged with settlement due on or about 1 July 2017.

There is a Confidentiality Clause as part of the purchase Contract which precludes the purchase price from being disclosed prior to settlement. The purchase price will be stated in the 2017 Financial Report, following settlement of the purchase.

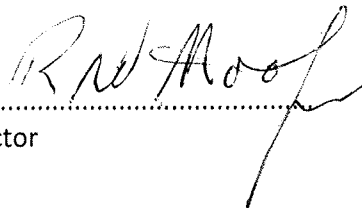
AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is attached and forms part of the Directors' Report for the financial year ended 31 December 2016.

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



.....
Chairman of Directors



.....
Director

Dated this 20th day of April 2017

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

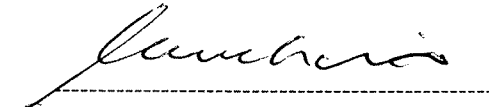
**TO THE DIRECTORS OF
ROCKDALE RSL SUB-BRANCH CLUB LTD**

We hereby declare that, to the best of our knowledge and belief, during the financial year ended 31 December 2016 there have been:

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

Name of Firm: Hales Redden
Chartered Accountants

Name of Director:



Paul de Maria

Address: 24 Bay Street, Rockdale NSW 2216

Dated this 20th day of April 2017.

ROCKDALE RSL SUB BRANCH CLUB LIMITED
48 001 286 228

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2016

Hales Redden and Partners Pty Ltd
Liability is 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 2016

| | Note | 2016 \$ | 2015 \$ |
|---|------|------------------|------------------|
| Revenue | 2 | 3,827,949 | 3,877,764 |
| Cost of sales | | (272,932) | (282,165) |
| Gross profit | | 3,555,017 | 3,595,599 |
| Depreciation and amortisation expenses | | (307,772) | (357,063) |
| Finance costs | | (15,592) | (14,190) |
| Other expenses | 3 | (3,695,957) | (3,849,633) |
| Profit/(Loss) before income tax | | (464,304) | (625,287) |
| Income tax expense | 4 | - | (43,039) |
| Loss after income tax | | (464,304) | (668,326) |
| Other comprehensive income: | | | |
| Net gain on sale of Property | | - | 346,811 |
| Other comprehensive income for the year, net of tax | | - | 346,811 |
| Total comprehensive income attributable to members of the entity | | (464,304) | (321,514) |

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 2016

| | Note | 2016 \$ | 2015 \$ |
|--------------------------------------|------|------------------|------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 220,032 | 299,421 |
| Trade and other receivables | 6 | 111,639 | 124,135 |
| Inventories | 7 | 67,875 | 73,852 |
| TOTAL CURRENT ASSETS | | 399,546 | 497,409 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 8 | 3,930,458 | 3,598,394 |
| TOTAL NON-CURRENT ASSETS | | 3,930,458 | 3,598,394 |
| TOTAL ASSETS | | 4,330,004 | 4,095,803 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 1,265,133 | 539,432 |
| Financial liabilities | 10 | 96,133 | 105,858 |
| Provisions | 11 | 292,531 | 286,018 |
| TOTAL CURRENT LIABILITIES | | 1,653,797 | 931,308 |
| NON-CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | - | 23,984 |
| TOTAL NON-CURRENT LIABILITIES | | - | 23,984 |
| TOTAL LIABILITIES | | 1,653,797 | 955,292 |
| NET ASSETS | | 2,676,207 | 3,140,511 |
| EQUITY | | | |
| Retained earnings | 12 | 2,676,207 | 3,140,511 |
| TOTAL EQUITY | | 2,676,207 | 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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

| | Note | Retained Earnings / (Accumulated losses) \$ | Total \$ |
|----------------------------|------|---|------------------|
| At 1 January 2015 | | 3,462,025 | 3,462,025 |
| Loss for the year | | (321,514) | (321,514) |
| At 31 December 2015 | | <u>3,140,511</u> | <u>3,140,511</u> |
| Loss for the year | | (464,304) | (464,304) |
| At 31 December 2016 | | <u>(464,304)</u> | <u>(464,304)</u> |
| | | <u>2,676,207</u> | <u>2,676,207</u> |

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 2016

| | 2016 \$ | 2015 \$ |
|--|------------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | 3,828,234 | 3,880,854 |
| Payments to suppliers and employees | (4,042,767) | (3,922,672) |
| Interest received | - | 1 |
| Income Taxes (Paid)/Refunds | | |
| Net cash provided by (used in) operating activities | <u>(214,533)</u> | <u>(41,817)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sale of property, plant and equipment | 13,874 | 529,742 |
| Payments for property, plant and equipment | (585,861) | (176,354) |
| Net cash provided by (used in) investing activities | <u>(571,987)</u> | <u>353,388</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Funds (to)/from borrowings | 705,000 | (79,750) |
| Net cash provided by (used in) financing activities | <u>705,000</u> | <u>(79,750)</u> |
| Net increase (decrease) in cash held | (81,520) | 231,821 |
| Cash at beginning of year | 280,985 | 49,164 |
| Cash at end of year | <u>199,465</u> | <u>280,985</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 2016

Corporate Information

The financial statements of the Rockdale RSL Sub-Branch Club Ltd (the Company) for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of directors on 20 April 2017

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
A.B.N: 48 001 286 228

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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%

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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, redundancy, 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

| | 2016 | 2015 |
|--|-------------------------|-------------------------|
| | \$ | \$ |
| 2 Revenue | | |
| Operating Activities (Revenue); | | |
| Bar Sales | 508,224 | 552,027 |
| Poker Machine Takings | 2,823,574 | 3,013,845 |
| Interest Received | - | 1 |
| Rental Income | 178,427 | 170,129 |
| Commissions | 123,623 | 120,533 |
| Settlement Extension Fee | 137,500 | - |
| Insurance Recovery | - | 17,028 |
| Sundry Income | 33,379 | - |
| Members Subscriptions | 10,287 | 16,428 |
| Profit (Loss) on Sale of Non-Current | 12,935 | - |
| | <u>3,827,949</u> | <u>3,877,764</u> |
| Non operating | | |
| Capital Profit on Sale of Properties | - | 346,811 |
| Total Revenue | <u><u>3,827,949</u></u> | <u><u>4,224,575</u></u> |
| 3 Expenses from Ordinary Activities | | |
| Expenses | | |
| Employee Wages | 959,286 | 1,006,148 |
| Entertainment | 396,800 | 485,792 |
| Poker Machine Duty | 456,056 | 492,158 |
| Other expenses from ordinary activities | 1,883,815 | 1,865,535 |
| Total Expenses | <u><u>3,695,957</u></u> | <u><u>3,849,633</u></u> |
| 4 Income Tax Expense | | |
| Income Tax Expense | - | 43,039 |
| Total Income Tax Expense | <u><u>-</u></u> | <u><u>43,039</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 2016

| | 2016 | 2015 |
|---|----------------|----------------|
| | \$ | \$ |
| 5 Cash and Cash Equivalents | | |
| Current | | |
| Cash on Hand | 157,800 | 202,230 |
| TAB Float | 5,000 | 5,000 |
| Gift Vouchers Control Account | 10,690 | 12,380 |
| National Australia Bank - Inv A/C | 41,702 | 74,971 |
| National Australia Bank - Card It | 3,840 | 3,840 |
| National Australia Bank - SWL | 1,000 | 1,000 |
| | <u>220,032</u> | <u>299,421</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 | 157,800 | 202,230 |
| TAB Float | 5,000 | 5,000 |
| Gift Vouchers Control Account | 10,690 | 12,380 |
| National Australia Bank Accounts | 25,975 | 61,375 |
| | <u>199,465</u> | <u>280,985</u> |
| 6 Trade and Other Receivables | | |
| Current | | |
| Sundry Debtors | 13,209 | 26,429 |
| GST Clearing Account | - | 2,180 |
| Tax Refundable | - | - |
| Prepayments | 98,430 | 95,526 |
| Total Trade and Other Receivables | <u>111,639</u> | <u>124,135</u> |
| 7 Inventories | | |
| Current | | |
| Trading Stock - at cost | 67,875 | 73,852 |
| Total Inventories | <u>67,875</u> | <u>73,852</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 2016

| | 2016 | 2015 |
|--|--------------------|--------------------|
| | \$ | \$ |
| 8 Property, Plant and Equipment | | |
| FREEHOLD PROPERTY | | |
| Pre Acquisition Costs | 639,305 | 53,445 |
| 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>3,075,194</u> | <u>2,489,333</u> |
| LEASEHOLD IMPROVEMENTS | | |
| Property Leasehold Improvements | 4,490,509 | 4,490,509 |
| Less accumulated depreciation | <u>(4,335,907)</u> | <u>(4,262,840)</u> |
| | <u>154,602</u> | <u>227,669</u> |
| Total Land and Buildings | <u>3,229,796</u> | <u>2,717,002</u> |
| PLANT AND EQUIPMENT | | |
| Plant and Equipment | 1,786,931 | 1,820,890 |
| Accumulated depreciation | <u>(1,626,018)</u> | <u>(1,620,113)</u> |
| | 160,913 | 200,777 |
| Motor Vehicles | 35,966 | 35,966 |
| Accumulated depreciation | <u>(32,199)</u> | <u>(30,938)</u> |
| | 3,767 | 5,028 |
| Poker Machines | 2,603,049 | 2,605,689 |
| Accumulated depreciation | <u>(2,180,801)</u> | <u>(2,057,495)</u> |
| | 422,248 | 548,194 |
| Bar Furniture & Fittings | 359,775 | 359,775 |
| Accumulated depreciation | <u>(342,683)</u> | <u>(338,973)</u> |
| | 17,092 | 20,802 |
| Unit Furniture & Fittings | 89,628 | 89,628 |
| Accumulated depreciation | <u>(58,982)</u> | <u>(55,838)</u> |
| | 30,646 | 33,790 |

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

| | 2016 \$ | 2015 \$ |
|---|-------------------------|-------------------------|
| Air Conditioning Plant | 393,160 | 393,160 |
| Accumulated depreciation | <u>(351,927)</u> | <u>(346,612)</u> |
| | 41,233 | 46,548 |
| Café Equipment | 76,312 | 76,944 |
| Accumulated depreciation | <u>(69,913)</u> | <u>(69,055)</u> |
| | 6,399 | 7,889 |
| Crockery, Cutlery & Utensils | <u>18,364</u> | <u>18,364</u> |
| Total Plant and Equipment | <u>700,661</u> | <u>881,392</u> |
| Total Property, Plant and Equipment | <u><u>3,930,458</u></u> | <u><u>3,598,394</u></u> |
| | | |
| 9 Trade and Other Payables | | |
| Current | | |
| Members Cashless Liability | 4,314 | 3,999 |
| Deposit Property Sale | 280,000 | - |
| Property Sale Advance | 425,000 | - |
| GST & Income Tax Payable | 102,410 | 163,896 |
| Trade Creditors | 447,788 | 366,217 |
| Income in Advance | 5,620 | 5,320 |
| Current Trade and Other Payables | <u>1,265,133</u> | <u>539,432</u> |
| Non-Current | | |
| Trade Creditors | - | 23,984 |
| Non Current Trade and Other Payables | <u>-</u> | <u>23,984</u> |
| Total Trade and Other Payables | <u><u>1,265,133</u></u> | <u><u>563,416</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 2016

| | 2016 \$ | 2015 \$ |
|--|------------------|------------------|
| 10 Financial Liabilities | | |
| Current | | |
| National Australia Bank | 20,567 | 18,436 |
| Hunter Premium Funding | 72,088 | 84,999 |
| Less: Unexpired Interest | - 5,110 | - 6,165 |
| GST Rebate Scheme | 8,588 | 8,588 |
| | <u>96,133</u> | <u>105,858</u> |
| 11 Provisions | | |
| Provision for Holiday Pay | 131,297 | 129,325 |
| Provision for Long Service Leave | 161,234 | 156,693 |
| | <u>292,531</u> | <u>286,018</u> |
| 12 Retained Earnings | | |
| Retained earnings at the beginning of the financial year | 3,140,511 | 3,462,025 |
| Net profit/(loss) attributable to members of the company | (464,304) | (321,514) |
| Retained earnings at the end of the financial year | <u>2,676,207</u> | <u>3,140,511</u> |
| 13 Cash Flow Information | | |
| Reconciliation of net cash | | |
| Operating profit (loss) after income tax | (464,304) | (321,514) |
| <u>Non Cash Flows in Operating Profit:</u> | | |
| Amortisation | 73,067 | 75,344 |
| Depreciation | 234,705 | 281,719 |
| Net gain on disposal of Property | (12,935) | (346,811) |
| <u>Change in Assets & Liabilities:</u> | | |
| (Increase)/Decrease in Sundry Debtors | 15,401 | (12,010) |
| (Increase)/Decrease in Current Inventories | 5,978 | 256 |
| (Increase)/Decrease In Prepayments | (2,904) | 24,210 |
| Increase/(Decrease) in Sundry Creditors | (35,524) | 15,857 |
| Increase/(Decrease) in Trade Creditors | 81,571 | 172,838 |
| Increase/(Decrease) in Income in Advance | 300 | (3,255) |
| Increase/ (Decrease) in Provisions | 6,512 | 28,511 |
| Increase/ (Decrease) in Tax Liability | (116,400) | 43,039 |
| Net Cash Provided by Operating Activities | <u>(214,533)</u> | <u>(41,817)</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 2016

2016
\$

2015
\$

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 2016

15 Capital Commitments

There are no capital expenditure commitments contracted for at balance date.

16 Related Parties and Related-Party transactions

- (a) As authorised at the Company's Annual General Meeting, the President received a \$3,500 honorarium {2015: \$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 {2015: \$0} 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 2016 was \$2,901,528

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 2016 was \$36,000

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

In the

(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 2016 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

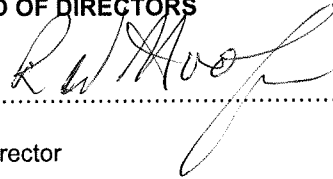
(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

20th April 2017

**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 2016, 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.

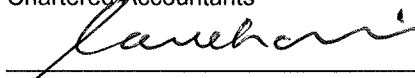
**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ROCKDALE RSL SUB-BRANCH CLUB LTD
A.B.N: 48 001 286 228**

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 2016 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 day of

20th April 2017.

ROCKDALE RSL SUB-BRANCH CLUB LIMITED

Core and Non Core Properties 2016

Core Properties

Lot 10/1 Catalina Close Nelson Bay
18/1 Rigney Street Shoal Bay
7 Palm Street Tuncurry

Non Core Properties

41 Bay Street Rockdale
Lot 10/2 Catalina Close Nelson Bay
18/2 Rigney Street Shoal Bay