

WAGGA RSL &  
COMMERCIAL CLUB

# Twenty Fifteen & Sixteen

ANNUAL REPORT



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# 02

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Wagga RSL Club Ltd will be held on Tuesday, 11th October 2016 at 5.30pm at the Wagga RSL Club premises, Dobbs St, Wagga Wagga.

### **BUSINESS**

1. To receive and consider the Ordinary Resolutions
2. To receive and consider the report of the Directors
3. To receive and consider the Financial Statements:
  - a. Trading Profit and Loss Account
  - b. Statement of Comprehensive Income
  - c. Statement of Financial Position
  - d. Statement of Cash Flows
  - e. Statement of changes in Equity
  - f. Notes to Financial Accounts
4. To receive and consider the Auditors Report
5. To declare the election of Directors for the ensuring period
6. To confirm the removal of the Auditors – Bush & Campbell
7. To confirm the appointment of Auditors – Crowe Horwath
8. Any other relevant business of which due notice has been given.

By order of the Board of Directors.

Andrew Bell  
General Manager



# ORDINARY RESOLUTIONS

## ORDINARY RESOLUTION 1

“That pursuant to the Registered Clubs Act 1976, as amended, the members hereby approve and agree to the members of the Board and Senior Management during the period preceding the next Annual General Meeting receiving the following benefits and the members further acknowledge that the benefits outlined in sub-paragraphs (a) to (i) are not available to members generally, but, only to those members who are elected to the Board of Directors of the Club, or Senior Managers;

- a. Reasonable meals and refreshments for each Director in conjunction with each Board or Committee Meeting;
- b. Reasonable costs or expenses in relation to the professional development and education of Directors and Managers including:-
  - i. Attending meetings of associations of which the Club is a member or Managers or Directors of the Club are members;
  - ii. Attending seminars, lectures, trade displays, organised study tours, fact finding tours and other similar events as may be determined by the Board from time to time;
  - iii. Attending other registered clubs or gaming premises for the purpose of observing their facilities and methods of operation;
  - iv. Attending conferences and training sessions in relation to their roles and responsibilities under the Registered Clubs Act, the Corporation Act 2001 and any other relevant legislation.
- c. Reasonable costs or expenses of attending functions whilst representing the Club with partners where appropriate;
- d. Reasonable costs or expenses of traveling by either private or public transport to and from Directors or other duly constituted meetings held within the Club or elsewhere;
- e. Reasonable costs or expenses in relation to such other duties

including entertainment of special guests of the Club and other promotional activities approved by the Board;

- f. Reasonable costs or expenses in relation to the provision of uniforms and associated apparel for the use of each Director or Senior Manager when representing the Club;
- g. The provision of a specially reserved parking space at the Club for the use of the President when attending the Club to carry out his duties;
- h. Reasonable costs or expenses in relation to presentations to members (other than in the form of money) or to other persons to acknowledge services, which in the opinion of the Directors, were of benefit to the Club;
- i. Reasonable costs or expenses relating to the sponsorship by payment of money or provision of benefits to such sporting events, sports or community organisations, which, in the opinion of the Directors will be beneficial to the Club or the community over and above such expenditure required under the Club Grants Scheme.”

### EXPLANATORY MESSAGE

Pursuant to the requirements of the Registered Clubs Act 1976, the Club is required at each Annual General Meeting to have approved by Ordinary Resolution, the benefits to be provided to the Directors of the Club. The benefits, which are provided, are the standard benefits to have been provided to Directors of the Club over a number of years. The purpose of this Resolution is to comply with the requirements of the Registered Clubs Act.

### NOTES TO MEMBERS REGARDING ORDINARY RESOLUTION 1

To be passed, Ordinary Resolution 1 must receive a simple majority of votes in its favour from those persons present at the Meeting who are eligible to vote. Proxy voting is not permitted under the Registered Clubs Act.

# ORDINARY RESOLUTIONS

## ORDINARY RESOLUTION 2

### ORDINARY RESOLUTION 2

Approval of Honoraria for Directors for the year 2016/2017.

“That pursuant to the Registered Clubs Act 1976, as amended, the members hereby approve and agree to the members of the Board, during the period preceding the next Annual General Meeting receiving Honoraria for the positions named, and the sums referred to below, in respect of services rendered to the Club and the members further acknowledge that the Honoraria are not available to members generally, but only those members who are elected to the Board of Directors of the Club:

- i. \$13,680 to the President
- ii. \$7,661 to the Vice President
- iii. \$3,284 to each other Director”

#### EXPLANATORY MESSAGE

Pursuant to the requirements of the Registered Clubs Act 1976, the Club is required to have the Honoraria for Directors approved by the members at the Annual General Meeting. The Honoraria has been adjusted by 1.5% to reflect the increase in the Consumer Price Index (CPI) and will continue to be adjusted on an annual basis as approved at the 2011 Annual General Meeting. The purpose of this Resolution is to comply with the requirements of the Registered Clubs Act.

#### NOTES TO MEMBERS REGARDING ORDINARY RESOLUTION 2

To be passed, Ordinary Resolution 2 must receive a simple majority of votes in its favor from those members present at the Meeting who are eligible to vote. Proxy voting is not permitted under the Registered Clubs Act. The Board recommends Ordinary Resolution 2 to the Meeting.





PETER THOMAS  
PRESIDENT



PHILLIP MCINTOSH  
VICE PRESIDENT



PHILLIP ELLIOTT  
DIRECTOR



ANDREW CRAKANTHORP  
DIRECTOR



JOHN GRAY  
DIRECTOR



ADAM DRUMMOND  
DIRECTOR



TIM ROSE  
DIRECTOR



ANDREW BELL  
GENERAL MANAGER



# ORDINARY RESOLUTIONS

## ORDINARY RESOLUTIONS 3 & 4

### ORDINARY RESOLUTION 3

In accordance with Article 15(c) of the Clubs Constitution, the Board of Directors recommends to the members that Mr John Gray be awarded Life Membership in recognition of his long and meritorious service to the Club.

#### EXPLANATORY MESSAGE

Pursuant to Article 15(c) of the Clubs Constitution, a member is eligible for election to Life Membership if that person has rendered outstanding, distinguished or meritorious service to the Club over a substantial period of time.

#### NOTES TO MEMBERS REGARDING ORDINARY RESOLUTION 3

To be passed, Ordinary Resolution 3 must receive a simple majority of votes in its favour from those members present at the meeting who are eligible to vote. Proxy voting is not permitted under the Registered Clubs Act. The Board recommends Ordinary Resolution 3 to the Meeting.

### ORDINARY RESOLUTION 4

In accordance with Article 15(c) of the Clubs Constitution, the Board of Directors recommends to the members that Mr Terry Williams be awarded Life Membership in recognition of his long and meritorious service to the Club.

#### EXPLANATORY MESSAGE

Pursuant to Article 15(c) of the Clubs Constitution, a member is eligible for election to Life Membership if that person has rendered outstanding, distinguished or meritorious service to the Club over a substantial period of time.

#### NOTES TO MEMBERS REGARDING ORDINARY RESOLUTION 4

To be passed, Ordinary Resolution 4 must receive a simple majority of votes in its favour from those members present at the meeting who are eligible to vote. Proxy voting is not permitted under the Registered Clubs Act. The Board recommends Ordinary Resolution 4 to the Meeting.





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# REPORTS

## PRESIDENTS REPORT



This year the Wagga RSL Club, Commercial Club and numerous investments, had an outstanding result for the 2015-2016 year. We must thank our members and visitors for supporting our clubs and amenities to achieve this.

The hard work of our management team, led by Andrew Bell, and all

our staff across both clubs and motel must be thanked for their welcoming and friendly service - without their consistent efforts in improving our club we would not be the success that we are today.

It should always be noted that we are a not for profit organisation, so we continue to upgrade our facilities for the benefit of our members, as well as contribute funding to many organisations across the region. This year we donated over \$450,000.

In the last twelve months we dismantled and fully renovated our coffee shop and added a state of the art pizza oven to Dine Bistro. It has rejuvenated and opened up this area into a much more friendly and accessible space. We have almost completed the second stage of renovations that incorporates a new main bar and spacious lounge area complemented with new and stylish furniture. This has been an under-utilised space in the past and we are looking forward to how much this space is going to amaze everyone. We thank our members, visitors and staff for their patience while these works are happening as well as Anthony Corbett Constructions for their great work.

Congratulations to Mat and Lauren (CnL Catering), our fabulous caterers at both clubs, who will welcome their second child in January. Mat and Lauren along with their staff provide a great food offering to all our patrons. Their success has been fantastic, as they are very positive in looking for ways to improve their food offering. They appreciate your feedback, whether it is positive or negative. We also thank Alan and Ivy, from Pearl City Chinese restaurant on another successful year. They complement the club perfectly with a constant array of top class food.

Bronwyn and Brendan, our motel managers, have provided the club with continued strong results, receiving a 4 ½ star rating from Star Ratings Australia, which we are extremely proud of. This is a credit to their efforts. Also our two luxury units have had a positive impact and complement our motel nicely.

Last year, Sally Whitley stood down from our Board to take on the role of Finance Manager. Sally has taken on this role with a great approach, and it must be said she is a pleasure to have working with our senior management team. However at the same time, we are sad to say that Terry Williams has informed us of his retirement in September. Terry will be sorely missed from the management team as his work ethic and welcoming nature will be hard to replace.

This year the Wagga RSL Sub-branch were very busy, starting with the Kangaroo March re-enactment last September, followed by the veterans information seminar in February and the 100 year centenary dinner to celebrate their formation in Australia. We are very proud of their efforts, and are proud to say that we have a great working relationship with our Sub-branch.

Thank you also to our many sporting clubs for their valued support again this year. Our men's and women's bowling clubs are a great asset and occupy our greens on most days of the week. The RSL Cricket Club must also be mentioned. We congratulate you all on your efforts again this year.

Last of all, I thank the Board for their commitment and contribution towards these results this year. Each person brings an avenue of experience to complement our senior management. They are a great group of people to work with.

Thankyou

Peter Thomas  
President

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# REPORTS

## DIRECTORS REPORT

Your Directors present their report on the company and its controlled entity for the financial year ended 30 June 2016. The names of the Directors of the company in office at any time during, or since the end of the year are:

NAME	YEARS OF SERVICE	OCCUPATION	MEETINGS ATTENDED
Peter Thomas <i>President</i>	8	Manager	10/11
Phillip McIntosh <i>Vice President</i>	9	General Manager	9/11
John Gray	12	Retired	10/11
Phillip Elliott	9	Manager	10/11
Tim Rose	1	Managing Director	8/11
Adam Drummond <i>(Appointed 27/8/15)</i>	1	Online Media Executive	8/9
Andrew Crakanthorp	1	Deputy General Manager, Murrumbidgee Council	8/11

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

### OPERATING PROFIT

The profit of the consolidated group for the financial year after providing for income tax amounted to \$2,169,016.

### SIGNIFICANT CHANGES

No significant changes in the nature of the Company's activities occurred during the year.

PRINCIPAL ACTIVITIES

The principal activities of the company during the financial year were the operation of a licensed club.

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.

FUTURE DEVELOPMENTS

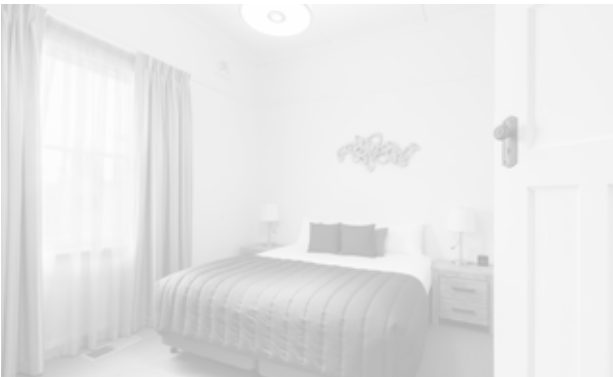
Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

ENVIRONMENTAL ISSUES

The company’s operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

DIVIDENDS

In accordance with the Articles of Association, the Parent Company is a company limited by guarantee to the extent of \$2.00 per member and accordingly no shares or debentures have been issued and no dividends have been recommended or paid, since the start of the financial year.



INDEMNIFYING OFFICER OR AUDITOR

During or since the end of the financial year the company has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The company has paid premiums to insure each of the following Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the company, other than conduct involving a willful breach of duty in relation to the company.

Mr Peter Thomas	Mr Tim Rose
Mr Phillip McIntosh	Mr Adam Drummond
Mr John Gray	Mr Andrew Crakanthorpe
Mr Phillip Elliott	

AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor’s independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 12.

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

*Mr Peter Thomas*                      *Mr Phillip McIntosh*

Mr Peter Thomas                      Mr Phillip McIntosh  
Director                                      Director

Dated this 30th day of August 2016



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2015-2016  
SNAPSHOT

WAGGA RSL &  
COMMERCIAL CLUB

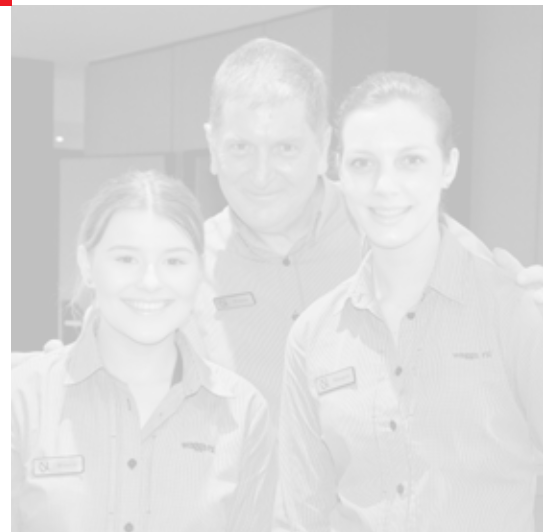
4½ star

MOTEL &  
APARTMENTS



334,602

VISITS TO OUR CLUBS



nine

FUNCTION ROOMS

20,999

MEMBERS

9.2 / 10

ON BOOKING.COM

**116**

**STAFF EMPLOYED**

*Five*

**BARS**

**135**

**COMMUNITY GROUPS  
SUPPORTED**

**6,885**

**FACEBOOK LIKERS**



**620**

**FREE ROOM  
HIRES GIVEN**



*three*

**RESTAURANTS**

**2**

**CAFES**

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# AUDITORS INDEPENDENCE DECLARATION

I hereby declare, that to the best of my knowledge and belief,  
during the year ended 30 June 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.

*John L Bush & Campbell*

John L Bush & Campbell  
Chartered Accountants

*Peter J King*

Peter J King  
Dated this 30th day of August 2016





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# FINANCIAL STATEMENTS

## STATEMENT OF COMPREHENSIVE INCOME

FOR YEAR END  
30 JUNE 2016

		Consolidated Group	
	Note	2016	2015
Revenue	2	15,438,157	14,944,123
Cost of goods sold		(1,475,849)	(1,417,443)
Buildings & maintenance expenses		(2,316,487)	(2,299,225)
Depreciation and amortisation expenses		(1,497,754)	(1,598,510)
Employee benefits expenses		(4,416,408)	(4,393,336)
Members expenses and donations		(2,253,126)	(2,504,723)
Interest expense		(290,449)	(416,970)
Motel operating expenses		(183,866)	(196,927)
Other expenses		(797,764)	(643,031)
Profit (Loss) before income tax		2,206,453	1,473,959
Income tax expense	5	(37,437)	8,073
<b>Profit for the year</b>		<b>2,169,016</b>	<b>1,482,032</b>
<b>OTHER COMPREHENSIVE INCOME:</b>			
Gain on Revaluation of Land & Buildings		885,767	2,291,829
Other comprehensive income for the year		885,767	2,291,829
<b>Total comprehensive income for the year</b>		<b>3,054,783</b>	<b>3,773,861</b>



# STATEMENT OF FINANCIAL POSITION

AS AT  
30 JUNE 2016

		Consolidated Group	
	Note	2016	2015
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	844,016	774,411
Trade and other receivables	7	152,985	107,735
Inventories	8	139,851	138,980
Other assets	9	14,923	310,664
<b>Total Current Assets</b>		<b>1,151,774</b>	<b>1,331,789</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	10	620,131	629,615
Property, plant and equipment	11	27,970,103	26,110,952
Investment property	12	4,598,000	4,595,000
Intangible assets	13	1,624,611	1,876,836
<b>Total Non-Current Assets</b>		<b>34,812,845</b>	<b>33,212,403</b>
<b>Total Assets</b>		<b>35,964,620</b>	<b>34,544,193</b>



# CONTINUED...

		Consolidated Group	
	Note	2016	2015
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	1,071,950	1,233,619
Borrowings	15	4,834,119	5,402,703
Provisions	16	495,085	474,575
<b>Total Current Liabilities</b>		<b>6,401,153</b>	<b>7,110,897</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	15	1,452,436	1,519,532
Deferred tax liabilities	17	941,932	587,649
<b>Total Non-Current Liabilities</b>		<b>2,394,368</b>	<b>2,107,181</b>
<b>Total Liabilities</b>		<b>8,795,522</b>	<b>9,218,078</b>
<b>Net Assets</b>		<b>27,169,098</b>	<b>25,326,115</b>
<b>EQUITY</b>			
Reserves		7,178,435	5,722,180
Retained earnings		19,990,663	19,486,778
Non Controlling Interest		-	117,157
<b>Total Equity</b>		<b>27,169,098</b>	<b>25,326,115</b>



# STATEMENT OF CHANGES IN EQUITY

FOR YEAR END  
30 JUNE 2016

Consolidated Group	Note	Retained Earnings	Asset Revaluation Reserves	Non Controlling Interest	Total
<b>Balance at 1 July 2014</b>		<b>18,000,036</b>	<b>3,427,289</b>	<b>195,729</b>	<b>21,623,054</b>
Profit attributable to equity		1,486,741	-	(4,709)	1,482,032
Revaluations		-	2,294,891	(3,062)	2,291,829
Dividends paid		-	-	(70,800)	(70,800)
<b>Balance at 30 June 2015</b>		<b>19,486,778</b>	<b>5,722,180</b>	<b>117,157</b>	<b>25,326,115</b>
Profit attributable to equity		2,169,016	-	-	2,169,016
Revaluations		-	885,767	-	885,767
Dividends paid		-	-	(11,800)	(11,800)
Share Buy Back		(1,665,131)	570,488	(105,357)	(1,200,000)
<b>Balance at 30 June 2016</b>		<b>19,990,663</b>	<b>7,178,435</b>	<b>-</b>	<b>27,169,098</b>



# STATEMENT OF CASH FLOWS

FOR YEAR END  
30 JUNE 2016

Consolidated Group

	Note	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		15,304,529	14,380,511
Payments to suppliers and employees		(11,577,228)	(11,402,140)
Dividends received		3,759	889
Interest received		196	785
Finance costs		(290,449)	(416,970)
<b>Net Cash Provided by Operating Activities</b>	21	<b>3,440,808</b>	<b>2,563,075</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of intangibles		305,682	-
Proceeds from sale of property, plant and equipment		144,963	-
Payments for property, plant and equipment		(2,209,368)	(1,493,422)
Payments for investment property		(3,000)	(26,031)
Payments for other investments		(12,000)	(12,000)
<b>Net Cash Used in Investing Activities</b>		<b>(1,773,723)</b>	<b>(1,531,453)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net receipts/(repayment) of borrowings		(531,358)	(532,508)
Dividends paid		(11,800)	(70,800)
Share buyback		(950,000)	-
<b>Net Cash Used in Financing Activities</b>		<b>(1,493,158)</b>	<b>(603,308)</b>
Net increase (decrease) in cash held		173,927	428,314
Cash at beginning of financial year		511,654	83,340
<b>Cash at End of Financial Year</b>	6	<b>685,581</b>	<b>511,654</b>

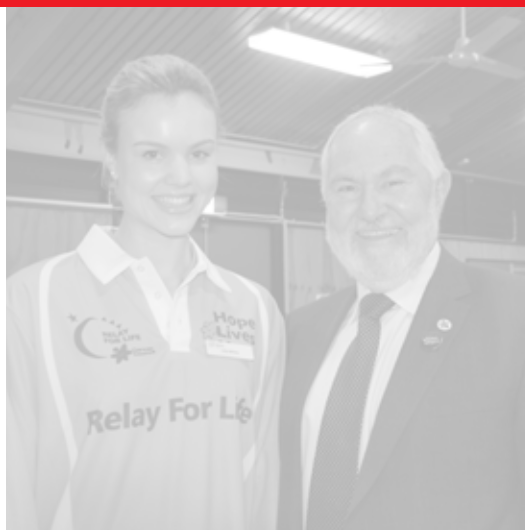
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## CLUB GRANTS

### SUPPORTING OUR COMMUNITY

#### COMMUNITY

SOUTH WAGGA ROTARY  
KURRAJONG WARATAH RACE DAY  
LAKE RUN AND RIDE  
WAGGA RSL SUB BRANCH  
WAGGA WAGGA FOOD AND WINE FESTIVAL  
PARAGON PLAYERS THEATRE



#### SPORT

MEN OF LEAGUE FOUNDATION  
RIVERINA OPEN TENNIS TOURNAMENT  
NSW AUSTRALIAN CLAY TARGET ASSOCIATION  
WAGGA TIGERS ASSOCIATION  
COUNTRY CLUB PRO AM  
WAGGA WAGGA BASKETBALL ASSOCIATION

#### EDUCATION

WAGGA HIGH SCHOOL  
WAGGA PUBLIC SCHOOL  
ARDLETHAN CENTRAL SCHOOL  
LADYSMITH PUBLIC SCHOOL

#### HEALTH

WAGGA BIGGEST BLOKES LUNCHEON  
MUSCULAR DYSTROPHY ASSOCIATION  
RIVERINA CANCER CARE CENTRE  
WAGGA BASE HOSPITAL CHILDREN'S WARD  
LEAGUES CLUB SWIMMERS

#### COMMUNITY WELFARE & SOCIAL SERVICES

WAR WIDOWS GUILD OF AUSTRALIA NSW LTD  
CANCER COUNCIL NSW - WAGGA RELAY FOR LIFE  
SHINE FOR KIDS  
ROYAL FAR WEST - CARING FOR COUNTRY KIDS

#### CLUB FACILITIES

WAGGA RSL BOWLING CLUB  
WAGGA RSL COURTESY BUS  
WAGGA RSL CHILDREN'S CRÈCHE  
FREE ROOM HIRE FOR MANY COMMUNITY ORGANISATIONS



# NOTES TO FINANCIAL STATEMENTS

## NOTE 1

FOR YEAR END  
30 JUNE 2016

### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards – Reduced Disclosure Regime, and complies with other requirements of the law.

The consolidated financial statements and notes represent those of Wagga RSL Club Limited and its controlled entity (“the consolidated group”). Wagga RSL Club Limited is a company limited by guarantee.

### REPORTING BASIS AND CONVENTIONS

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

### ACCOUNTING POLICIES PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Wagga RSL Club Limited at the end of the reporting period. A controlled entity is any entity over which Wagga RSL Club Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities.

A list of controlled entities is contained at Note 23 to the financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-Controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent are shown separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests’ interest in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

### INVENTORIES

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

### CASH AND CASH EQUIVALENTS

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

### PROPERTY, PLANT AND EQUIPMENT

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

### PROPERTY

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm’s length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation.

Increases in the carrying amount arising on revaluation of property, plant & equipment are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves

directly in equity; all other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

### PLANT & EQUIPMENT

Plant & equipment is measured on the cost basis less any depreciation and impairment losses.

### DEPRECIATION

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over the assets useful life.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant & Equipment	10 - 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

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

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

## FINANCIAL INSTRUMENTS

### INITIAL RECOGNITION AND MEASUREMENT

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

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expenses to profit or loss immediately.

### CLASSIFICATION AND SUBSEQUENT MEASUREMENT

Financial assets classified as "fair value through profit or loss" are subsequently measured at fair value with changes in carrying amounts being included in profit or loss.

### IMPAIRMENT OF ASSETS

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

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

### INTANGIBLES

Poker machine licences and water licences are recorded at either cost or deemed cost and have an infinite life. Licences are assessed annually for impairment.

### EMPLOYEE BENEFITS

Provisions are made for the group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

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. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

### PROVISIONS

Provisions are recognised when the group 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 recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

## INVESTMENT PROPERTY

Investment property, comprising of freehold residential properties, is held to generate long-term rental yields. Investment property is initially measured at cost and subsequently measured at fair value.

Fair value of investment properties is determined annually based on a valuation by an independent valuer who has recognised and appropriate professional qualifications. Fair values are determined by the valuer using market information, including prices for similar properties in comparable locations.

Changes to fair values of investment properties are recognised in profit or loss in the period in which they occur.

## REVENUE AND OTHER INCOME

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

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 cessation of all involvement in those goods.

Poker machine revenue is shown net of Gaming Machine Tax that was paid to the Office of State Revenue.

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

Dividend revenue is recognised when the right to receive a dividend has been established.

## 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 statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cashflows net of any GST.

## COMPARATIVE FIGURES

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

## LEASES

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases.

Finance leases are capitalised, recorded in an asset and a liability equal to present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

## INCOME TAX

The mutuality principle has been applied to the calculation of the parent company's income tax. The club has estimated that the assessable proportion of mutual income represented by results of trading attributable to non members of the group is to be 14%.

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

Deferred income tax expense reflects the movements in deferred tax assets and deferred tax liability balances during the year.

## 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 group 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.

## FAIR VALUE OF ASSETS AND LIABILITIES

The group measures some of its assets and liabilities at fair value on either a recurring or non-occurring basis, depending on the requirements of the applicable accounting standards.

“Fair Value” is the price the group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market

pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (ie the market data that maximises the receipts from the sale of the assets or minimize the payments made to transfer the liability, after taking into account transaction costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the assets in its highest and best use or to sell it to another market participant that would use the assets in its highest and best use.

## **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

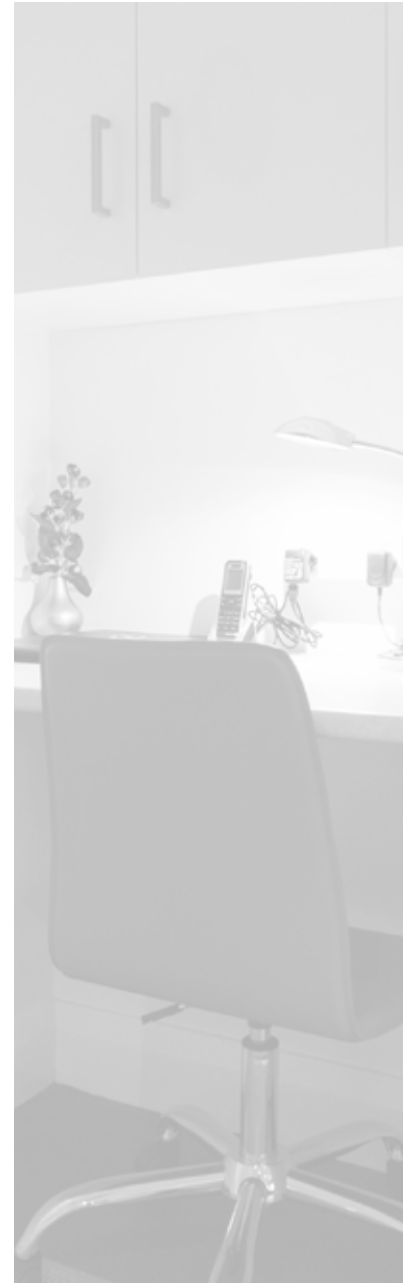
The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within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

## **KEY ESTIMATES**

The freehold land and buildings of core property were independently valued at 30 June 2015 by Preston Rowe Paterson. The valuation was based on fair value in use for financial reporting purposes assuming part of a viable going concern. The critical assumptions adopted in determining the valuation included the location of the land and building, the demand for land and building in the area and recent sales data for similar properties. Where the investment income capitalisation approach was used the value was determined using a capitalisation rate of 13% and 14%

The investment properties were independently valued at 30 June 2015 by Preston Rowe Patterson. The valuation was based on fair market value. The critical assumptions adopted in determining the valuation include the location of the land and buildings, the demand for land and building in the area and recent sales data for similar properties.

The freehold land and buildings of other property were independently valued at 31 August 2015 by Opteon Property Group. The valuation was based on fair value in use for financial reporting purposes assuming part of a viable going concern. The critical assumptions adopted in determining the valuation included the location of the land and building, the demand for land and building in the area and recent sales data for similar properties. Where the investment income capitalisation approach was used the value was determined using a capitalisation rate of 14%.



## NOTE 2 REVENUE & OTHER INCOME

	Consolidated Group	
	2016	2015
<b>REVENUE</b>		
Sale of goods	2,968,410	2,776,607
Accommodation income	1,544,239	1,414,676
Dividends received	3,759	889
Interest received	196	785
Poker machine income	8,802,153	8,362,176
Commissions	384,297	373,219
Sundry income	1,314,637	1,058,000
Membership subscriptions	125,436	72,397
Revaluation of investments	(24,996)	513,162
Impairment reversals	-	41,350
Rental income	320,026	330,862
	<b>15,438,157</b>	<b>14,944,123</b>

## NOTE 3 AUDITORS REMUNERATION

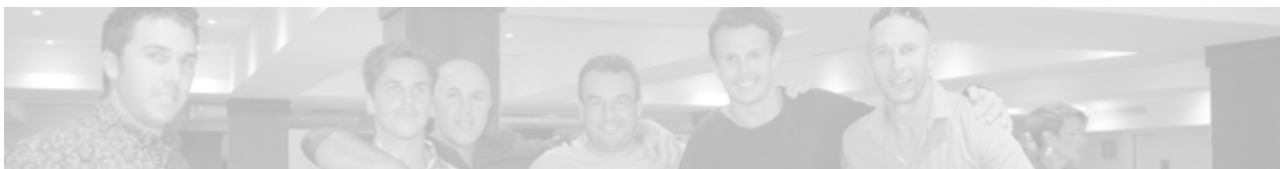
	Consolidated Group	
	2016	2015
<b>AUDITORS REMUNERATION</b>		
Audit services	38,950	37,375
Other services	-	475
	<b>38,950</b>	<b>37,850</b>

## NOTE 4 PROFIT

	Consolidated Group	
	2016	2015
<b>SIGNIFICANT REVENUE</b>		
Revaluation of investment property	-	482,706
Reversal of impairment	-	41,350
	<u>-</u>	<u>524,056</u>
<b>SIGNIFICANT EXPENSES</b>		
Depreciation of property, plant and equipment	1,497,754	1,598,510

## NOTE 5 INCOME TAX EXPENSE

	Consolidated Group	
	2016	2015
<b>THE COMPONENTS OF TAX EXPENSE COMPRISE:</b>		
Total income tax payable for this year	49,911	16,617
Movements in deferred tax liability	(12,474)	(24,690)
<b>Income Tax Expense</b>	<u>37,437</u>	<u>(8,073)</u>





## NOTE 5 CONTINUED...

	Consolidated Group	
	2016	2015
<b>The prima facie tax on profit from ordinary activities</b>		
<b>SALES REVENUE</b>		
Mutual Income	12,087,253	10,213,934
Fully Taxable	2,817,821	4,123,899
Non Taxable (exempt income)	533,083	606,290
	<b>15,438,157</b>	<b>14,944,123</b>
<b>TAXABLE INCOME</b>		
Non member's income (14%)	1,692,215	1,429,951
Fully taxable income	2,817,821	4,123,899
	<b>4,510,037</b>	<b>5,553,850</b>
<b>ALLOWABLE EXPENSES</b>		
Non members expenses (14%)	1,351,955	1,441,502
Fully deductible expenses	2,817,661	3,691,425
Prior years tax losses utilised	159,690	143,133
	<b>4,329,306</b>	<b>5,276,060</b>
<b>Taxable Income</b>	<b>180,731</b>	<b>277,790</b>
<b>Tax at 30%</b>	<b>54,219</b>	<b>83,337</b>
Less tax effect of:		
- Franking credits	16,782	91,410
<b>Income Tax Attributed to the Group</b>	<b>37,437</b>	<b>(8,073)</b>

## NOTE 6 CASH & CASH EQUIVALENTS

	Consolidated Group	
	2016	2015
Cash on Hand	553,768	286,895
Cash at Bank	290,248	487,516
	<b>844,016</b>	<b>774,411</b>

### 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 statement of financial position as follows:

Cash & Cash Equivalents	844,016	774,411
Bank Overdraft (Note 15)	(158,435)	(262,757)
	<b>685,581</b>	<b>511,654</b>

## NOTE 7 TRADE & OTHER RECEIVABLES

	Consolidated Group	
	2016	2015
<b>CURRENT</b>		
Trade Debtors	152,985	107,735
	<b>152,985</b>	<b>107,735</b>

The group does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

### (I) PROVISION FOR IMPAIRMENT OF RECEIVABLES

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. No trade receivables have been impaired.

### (II) CREDIT RISK - TRADE AND OTHER RECEIVABLES

The group does not have any material credit risk exposure to any single receivable or group of receivables.

## NOTE 8 INVENTORIES

	Consolidated Group	
	2016	2015
<b>CURRENT</b>		
At cost:		
Stock on Hand	139,851	138,980

## NOTE 9 OTHER ASSETS

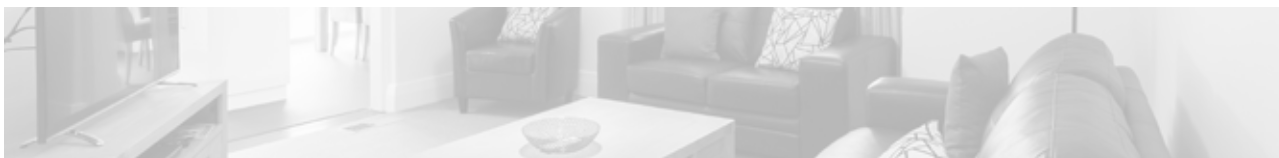
	Consolidated Group	
	2016	2015
<b>CURRENT</b>		
Prepayments	14,923	60,664
Share buyback deposit	-	250,000
<b>Total Other Assets</b>	<b>14,923</b>	<b>310,664</b>

## NOTE 10 FINANCIAL ASSETS

	Consolidated Group	
	2016	2015
<b>NON-CURRENT</b>		
LSL Investment Portfolio – at market value	115,026	127,122
Shares in Listed Companies – at market value	22,764	24,329
BT Portfolio – at market value	482,342	478,164
	<b>620,131</b>	<b>629,615</b>

## NOTE 11 PROPERTY, PLANT & EQUIPMENT

	Consolidated Group	
	2016	2015
<b>LAND AND BUILDINGS</b>		
<b>FREEHOLD LAND AT FAIR VALUE</b>		
Land – Core Property	3,375,000	3,375,000
Land - Other	1,070,000	1,040,000
	<u>4,445,000</u>	<u>4,415,000</u>
<b>BUILDINGS AT FAIR VALUE</b>		
Buildings (Core Property) – at fair value	15,290,000	15,390,000
Buildings (Other ) at fair value	4,860,000	3,660,000
Building additions – at Cost	910,351	-
Less: accumulated depreciation	(583,527)	(15,625)
	<u>20,476,824</u>	<u>19,034,375</u>
<b>Total Land and Buildings</b>	<u><b>24,921,824</b></u>	<u><b>23,449,375</b></u>
<b>PLANT AND EQUIPMENT</b>		
At Cost	12,778,221	11,763,200
Less: accumulated depreciation	(9,729,942)	(9,101,622)
<b>Total Plant and Equipment</b>	<u><b>3,048,279</b></u>	<u><b>2,661,577</b></u>
<b>Total Property, Plant and Equipment</b>	<u><b>27,970,103</b></u>	<u><b>26,110,952</b></u>



## NOTE 11 CONTINUED...

### (A) MOVEMENTS IN CARRYING AMOUNTS

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

	Freehold land	Buildings	Plant & Equipment	Total
Balance at 1 July 2014	3,206,400	17,774,903	3,223,531	24,204,835
Reallocations	-	298,573	(298,573)	-
Revaluations	1,208,600	823,579	-	2,032,179
Additions	-	647,416	846,006	1,493,422
Disposals	-	-	(20,973)	(20,973)
Depreciation expense	-	(510,096)	(1,088,414)	(1,598,510)
Balance at 30 June 2015	4,415,000	19,034,375	2,661,577	26,110,952
Revaluations	30,000	1,222,524	-	1,252,524
Additions	-	910,351	1,299,017	2,209,368
Disposals	-	(81,875)	(23,112)	(104,987)
Depreciation expense	-	(608,551)	(889,203)	(1,497,754)
Carrying Amount at 30 June 2016	4,445,000	20,476,824	3,048,279	27,970,103

### (B) ASSET REVALUATIONS

The freehold land and buildings (core property) were independently valued at 30 June 2015 by Preston Rowe Paterson. The movement in valuation has been recorded through the asset revaluation reserve.

### (C) ASSET REVALUATIONS - OTHER

The freehold land and buildings (other) were independently valued at 31 August 2015 by Opteon Property Group. The movement in valuation has been recorded through the asset revaluation reserve.

## NOTE 12 INVESTMENT PROPERTY

	Consolidated Group	
	2016	2015
<b>Investment Property - at market value</b>	<b>4,598,000</b>	<b>4,595,000</b>
<b>MOVEMENTS IN CARRYING AMOUNTS</b>		
Movement in the carrying amounts for investment property between the beginning and the end of the current financial year is as follows:		
Balance at 30 June 2015	4,595,000	4,086,263
Additions	3,000	26,031
Revaluation – to profit and loss	-	482,706
<b>Carrying Amount at 30 June 2016</b>	<b>4,598,000</b>	<b>4,595,000</b>

## NOTE 13 INTANGIBLE ASSETS

	Consolidated Group	
	2016	2015
Poker Machine Entitlements - at cost	1,621,985	1,621,985
Water Licenses – at cost	2,625	254,850
Less: accumulated impairment expense	-	-
	<b>2,625</b>	<b>254,850</b>
<b>Total</b>	<b>1,624,611</b>	<b>1,876,836</b>



## NOTE 14 TRADE & OTHER PAYABLES

	Consolidated Group	
	2016	2015
<b>CURRENT</b>		
Accrued Expenditure	324,501	381,658
Trade Creditors	499,620	614,041
Income Tax Payable	31,299	-
Other Creditors	26,292	14,065
GST Payable	190,238	223,856
	<b>1,071,950</b>	<b>1,233,619</b>

## NOTE 15 BORROWINGS

	Consolidated Group	
	2016	2015
<b>CURRENT</b>		
Bank Overdraft	158,434	262,757
Bank Bills	4,150,000	4,960,654
Other Bank Loans	525,684	179,292
Total Current Borrowings	<b>4,834,119</b>	<b>5,402,703</b>
<b>NON-CURRENT</b>		
Other Bank Loans	1,452,436	1,519,532
Total Non-Current Borrowings	<b>1,452,436</b>	<b>1,519,532</b>
<b>Total Borrowings</b>	<b>6,286,555</b>	<b>6,922,234</b>

## NOTE 15 CONTINUED...

The borrowings are secured by:

- |                                                                                              |                                                                                    |
|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| a. Registered mortgage over the Commercial Club premises located at 77 Gurwood Street Wagga; | e. Registered mortgage over properties located at 18,20,22 Goonigul Avenue Wagga;  |
| b. Registered mortgage over the Wagga RSL Club premises located at Dobbs Street Wagga;       | f. Registered mortgage over property located at 158 Kincaid Street Wagga;          |
| c. Registered mortgage over Wagga RSL Motel premises located at 156 Kincaid Street Wagga;    | g. Deed of covenant over the club including charge over liquor licence;            |
| d. Registered mortgage over property located at 149 Gurwood Street Wagga;                    | h. Fixed and floating charge over all existing and future assets and undertakings. |

## NOTE 16 PROVISIONS

	Consolidated Group	
	2016	2015
Provision for employee entitlements	495,085	474,575
<b>Total Provision</b>	<b>495,085</b>	<b>474,575</b>

## NOTE 17 DEFERRED TAX LIABILITIES

	Consolidated Group	
	2016	2015
<b>Deferred Tax Liabilities</b>	<b>941,932</b>	<b>587,649</b>

## NOTE 18 COMPANY DETAILS

The Registered Office and Principle place of business is:

Dobbs Street, Wagga Wagga NSW 2650

## NOTE 19 KEY MANAGEMENT PERSONNEL COMPENSATION

	Consolidated Group	
	2016	2015
Total Compensation	571,317	575,280

## NOTE 20 RELATED PARTY TRANSACTIONS

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



## NOTE 21 CASH FLOW INFORMATION

		Consolidated Group
	2016	2015
<b>RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT AFTER INCOME TAX</b>		
Profit (Loss) after income tax	2,169,016	1,482,032
<b>NON-CASH FLOWS IN PROFIT</b>		
(Profit)/loss on disposal of non-current assets	(109,419)	(3,716)
Change in net market value of investments	24,996	(513,162)
Depreciation	1,497,754	1,598,510
Impairment reversals	-	(41,350)
<b>CHANGES IN ASSETS AND LIABILITIES, NET OF THE EFFECTS OF PURCHASE AND DISPOSALS OF SUBSIDIARIES</b>		
(Increase) Decrease in current inventories	(871)	2,728
(Increase) Decrease in current receivables	(45,250)	(3,709)
(Increase) Decrease in other assets	45,741	(45,712)
Increase (Decrease) in trade creditors	(161,669)	(4,730)
Increase (Decrease) in provisions	20,509	92,186
	<b>3,440,808</b>	<b>2,563,075</b>



## NOTE 22 PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

	2016	2015
<b>STATEMENT OF FINANCIAL POSITION</b>		
<b>ASSETS</b>		
Current assets	2,344,049	1,857,798
Non-current assets	29,807,575	29,094,880
<b>Total Assets</b>	<b>32,151,624</b>	<b>30,952,678</b>
<b>LIABILITIES</b>		
Current liabilities	2,588,157	3,783,453
Non-current liabilities	1,452,436	1,519,532
<b>Total Liabilities</b>	<b>4,040,593</b>	<b>5,302,984</b>
<b>Net Assets</b>	<b>28,111,031</b>	<b>25,649,694</b>
<b>EQUITY</b>		
Retained earnings	24,100,315	21,638,978
Reserves	4,010,716	4,010,716
<b>Total Equity</b>	<b>28,111,031</b>	<b>25,649,694</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
Total profit	2,461,337	1,264,269
<b>Total Comprehensive Income</b>	<b>2,461,337</b>	<b>1,264,269</b>
<b>GUARANTEES</b>		
Wagga RSL Club Limited has provided a debt and interest guarantee over the borrowings of its subsidiary.		
<b>CARRIED FORWARD TAX LOSSES</b>		
<b>Balance Attributable to the Parent Entity</b>	<b>1,760,180</b>	<b>1,919,870</b>

## NOTE 23 CONTROLLED ENTITIES

	Percentage Owned (%)	
	2016	2015
<b>CONTROLLED ENTITIES CONSOLIDATED</b>		
Subsidiaries of Wagga RSL Club Limited:		
Kuz Pty Ltd	100	75

## NOTE 24 CAPITAL & LEASING COMMITMENTS

	Consolidated Group	
	2016	2015
The following represent commitments that are contracted but not capitalised in the financial statements.		
Not later than 12 months (inc GST)	844,050	966,399
Between 12 months and 5 years (inc GST)	42,000	34,164
Greater than 5 years	-	-
	<b>886,050</b>	<b>1,000,563</b>

Commitments include operating leases for plant & equipment and capital projects currently in progress.

## NOTE 25 MEMBERS GUARANTEE

The parent entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstandings and obligations of the entity. At 30 June the number of members was 20,999.

## NOTE 26 FAIR VALUE MEASUREMENTS

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

**LEVEL 1** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

**LEVEL 2** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**LEVEL 3** Unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

### VALUATION TECHNIQUES

The group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

### FAIR VALUE MEASUREMENT

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following table provides the fair values reported in the financial statements that are measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.



## NOTE 26 CONTINUED...

RECURRING FAIR VALUE MEASUREMENTS	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
30 June 2016					
Financial Assets	10	620,131			620,131
Land & Buildings	11		5,930,000	18,665,000	24,595,000
Investment property	12		4,595,000		4,595,000

### VALUATION TECHNIQUES AND INPUTS USED TO MEASURE LEVEL 2 FAIR VALUES

Description	Fair value as a 30 June 2016	Valuation Techniques
Land & Buildings	5,930,000	Investment income capitalization approach
Investment Property	4,595,000	Direct comparison approach

The fair value of freehold land and buildings is determined at least every five years based on valuations by an independent valuer. At the end of each intervening period the directors review the independent valuation to determine if the valuations are appropriate.

### VALUATION TECHNIQUES AND INPUTS USED TO MEASURE LEVEL 3 FAIR VALUES

Description	Fair value as a 30 June 2016	Valuation Techniques
Land & Buildings	18,665,000	Depreciated replacement cost and direct comparison approach

The fair value of freehold land and buildings is determined at least every five years based on valuations by an independent valuer. At the end of each intervening period the directors review the independent valuation to determine if the valuations are appropriate.







# 40

## DIRECTORS DECLARATION

The Directors of the company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:
  - a. Comply with Accounting Standards; and
  - b. Give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the company.
2. In the Directors opinion there are reasonable grounds to believe that 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.



Mr Peter Thomas  
Director



Mr Phillip McIntosh  
Director

Dated this 30th day of August 2016



# INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF WAGGA RSL CLUB LTD

## REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of Wagga RSL Club Limited and its controlled entity which comprises the consolidated statement of financial position as at 30 June 2016, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Directors declaration.

## DIRECTORS RESPONSIBILITY FOR THE FINANCIAL REPORT

The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Regime and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## AUDITORS RESPONSIBILITY

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

## INDEPENDENCE

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, was provided to the Directors of Wagga RSL Club Limited on the same date as at the date of this auditors report.

## AUDITORS OPINION

In our opinion the financial report of Wagga RSL Club Limited and its controlled entity is in accordance with the Corporations Act 2001, including:

- i. Giving a true and fair view of the consolidated group's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- ii. Complying with Australian Accounting Standards – Reduced Disclosure Regime and the Corporations Regulations 2001.

**John L Bush & Campbell**  
Chartered Accountants



Peter J King  
Partner

Dated this 30th day of August 2016

The additional financial data presented with this report being the profit and loss statement is in accordance with the books and records of Wagga RSL Club Limited and its controlled entity, which have been subjected to the audit procedures applied in our statutory audit of the entity for the year ended 30 June 2016. It will be appreciated that our statutory audit did not cover all details of additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

In accordance with our Firm's policy, we advise that neither the Firm nor any member or employee of the Firm undertakes responsibility arising in any way whatsoever to any person (other than the entity) in respect of such data, including any errors or omissions therein, arising through negligence or otherwise however caused.

**John L Bush & Campbell**  
**Chartered Accountants**



Peter King  
Partner

Wagga Wagga  
Dated this 30th day of August 2016



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# PROFIT & LOSS STATEMENT

FOR YEAR END  
30 JUNE 2016

	Consolidated Group	
	2016	2015
<b>SALES</b>		
Sales Revenue	2,968,410	2,776,607
<b>LESS: COST OF GOODS SOLD</b>		
Opening stock	141,707	141,707
Purchases	1,473,993	1,414,716
Closing stock	(139,851)	(138,980)
	1,475,849	1,417,443
<b>Gross Profit From Trading</b>	<b>1,492,561</b>	<b>1,359,164</b>
<b>OTHER INCOME</b>		
Poker machine income	8,802,153	8,362,176
Accommodation income	1,544,239	1,414,676
Commissions	384,297	373,219
Sundry income	1,205,218	1,058,000
Dividends received	3,759	889
Interest received	196	785
Membership subscriptions	125,436	72,397



# PROFIT & LOSS STATEMENT

## CONTINUED...

FOR YEAR END  
30 JUNE 2016

	Consolidated Group	
	2016	2015
<b>OTHER INCOME CONTINUED...</b>		
Revaluation of investments	(24,996)	513,162
Profit on sale of asset	109,419	-
Impairment reversals	-	41,350
Rental income	320,026	330,862
	<u>12,469,747</u>	<u>12,167,516</u>
	<b>13,962,308</b>	<b>13,526,680</b>
<b>EXPENSES</b>		
Accountancy fees	13,661	26,469
Amenities - members	2,049,131	2,229,644
Auditors remuneration	38,950	37,850
Bad debts	1,089	-
Bank charges	66,081	60,647
Cleaning	524,898	451,527
Computer expenses	106,109	110,473
Contractor expenses	182,524	153,762
Depreciation	1,497,754	1,598,510
Directors honorariums & Board expenses	37,199	33,258
Donations	209,865	275,079
Electricity	447,589	510,630

# PROFIT & LOSS STATEMENT

## CONTINUED...

FOR YEAR END  
30 JUNE 2016

	Consolidated Group	
	2016	2015
<b>EXPENSES CONTINUED...</b>		
Insurance	176,776	185,657
Interest paid	290,449	416,970
Leave provisions adjustments	20,509	92,186
Legal costs	75,448	22,356
License fees	20,570	17,372
Loss on disposal of assets	-	(3,716)
Other motel operating expenses	183,866	196,927
Payroll tax	184,717	177,025
Printing, stationery & postage	127,621	115,935
Property maintenance	77,154	101,075
Rates & taxes	149,932	130,380
Repairs & maintenance	897,730	875,253
Security costs	42,409	44,702
Training, travel & sundry staff costs	238,350	282,448
Subscriptions	110,452	53,652
Superannuation	370,343	361,163
Telephone	49,389	48,231
Wages	3,565,289	3,447,256
	11,755,854	12,052,721
<b>Profit Before Income Tax</b>	<b>2,206,453</b>	<b>1,473,959</b>



**WAGGA RSL**

Dobbs Street, Wagga Wagga



**commercial club**

**COMMERCIAL CLUB**

Gurwood Street, Wagga Wagga