WARILLA SPORTS CLUB LIMITED

ABN: 20 001 077 943

Financial Report For The Year Ended 31 August 2016

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Financial Report For The Year Ended 31 August 2016

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WARILLA SPORTS CLUB LIMITED ABN: 20 001 077 943
DIRECTORS' REPORT

Your directors present their report on the entity WARILLA SPORTS CLUB LIMITED for the financial year ended 31 August 2016.

General Information

Directors

The following persons were directors of Warilla Sports Club Limited during or since the end of the financial year up to the date of this report:

Andrew Gann Resigned 29/04/2016	President Director of Club since 28.11.2004 Occupation - Supervisor/Co-ordinator
Clarence Bailey	Vice-President Director of Club since 28.11.2004 Occupation - Retired
Stephen Anderson	Treasurer Director of Club since 26.11.2006 Occupation - Operations Manager
Wayne Balmer	Director of Club since 29.11.1998 Occupation - Clerk
John Spinks	Director of Club since 28.11.2010 Occupation - Retired
David Monaghan	Director of Club since 23.11.2014 Occupation - Labourer
Leanne Shooter	Director of Club since 23.11.2014 Occupation - Development Officer

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Mr Gary Leighton held the position of company secretary at the end of the financial year. Mr Leighton performs all management and secretarial roles in all aspects of the business. He was appointed secretary on 27th May 2013.

Principal Activities

The principal activities of the company during the financial year was that of registered club and no significant change in that activity occurred during the year.

Operating Results

The net profit for the year was $110,379 (2015: profit $467,260) after provision for income tax benefit.

The decrease in net profit is mainly attributable by the decrease of operating revenue. The club was still able to meet commitments to community, sporting and charitable organisations, as well as providing members with quality entertainment and facilities at the lowest prices possible, having regard to increasing costs and government charges which continue to burden the club industry.

Significant Changes in Nature of Activities

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, Prospects and Business Strategies

The short term and long term objectives of the Club is to continue to provide facilities and amenities to members and strengthen the Club's financial position by mainly increasing gaming performance. Support of community organisations and sporting bodies is also considered a Club objective.

The strategy for achieving these objectives is to conservatively manage and monitor the Club's financial position to enable services and amenities to be maintained. The management plans to increase poker machine performance by keeping poker machine games updated. Minimum budget was also set for poker machine purchases.

The Club uses industry accepted KPIs to monitor performance.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the club, the results of those operations, or the state of affairs of the club in future financial years.

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.

WARILLA SPORTS CLUB LIMITED ABN: 20 001 077 943
DIRECTORS' REPORT

Meetings of Directors

Attendances by each director during the year were as follows:

	Attended	Possible
Andrew Gann (Resigned 26/04/2016)	5	8
Clarence Bailey	12	12
Stephen Anderson	12	12
Wayne Balmer	12	12
John Spinks	12	12
David Monaghan	12	12
Leanne Shooter	12	12

Indemnifying Officers or Auditor

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

During the year the company has paid premiums to insure each director and officer of the company against costs and expenses incurred by them in defending any legal proceedings arising out of their conduct whilst acting in the capacity of officer of the company other than conduct involving a wilful breach of duty in relation to the company. The amount of premium paid was $3,260.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Members

The number of members of each class registered in the register of members at 31st August, 2016 is as follows:

Life Members	9
Ordinary Members	16,058
	16,067

Life Members of the club are:

A. E. Ward*	C. J. Brett
B. Hughes*	M. R. Pickford
R. T. Burchell	P. J. Ring*
B. K. Cruthers*	R. E. Pickford
B. J. O'Malley*	R. W. Jeffree
B. S. Dowd	A. Williams
W. Balmer	T. Treleaven*

* Denotes deceased life member

REMUNERATION REPORT

Remuneration Policy

The Directors of Warilla Sports Club Limited are not financially remunerated for their services.

Performance-based Remuneration

Remuneration of employees is based on award and agreed rates with no reference to performance.

Details of remuneration for year ended 31 August 2016

No director was financially remunerated for their services provided in the 2016 financial year.
Performance income as a proportion of total remuneration
No director or employee is remunerated using performance based bonuses.

Options issued as part of remuneration for the year ended 31 August 2016

No options are issued to directors or executives in any form.

Employment contracts of directors and senior executives

No directors are financially remunerated for their services to the club, hence they have no employment contracts. The Club's chief executive officer has a written employment contract with no reference to performance.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 August 2016 has been received and can be found on page 4 of the Financial Report.

Director	Director
John Spinks	***Clarence Bailey***
Dated this	Dated this

AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF WARILLA SPORTS CLUB LIMITED ABN: 20 001 077 943

I declare that, to the best of my knowledge and belief, during the year ended 31 August 2016 there have been no contraventions of:

(i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Name of Firm O'Donnell Hennessy & Co

Name of Partner Karl Taylor

Date

Address WOLLONGONG

WARILLA SPORTS CLUB LIMITED ABN: 20 001 077 943
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 $	2015 $
Revenue	2	3,865,174	4,342,250
Other income	2	101,419	136,247
Costs of good sold		(605,187)	(730,570)
Employee benefits expense		(928,988)	(859,828)
Finance costs	3	(111,269)	(133,315)
Depreciation and amortisation expense		(451,329)	(428,757)
Other expenses		(1,759,441)	(1,858,767)
Profit before income tax	3	110,379	467,260
Tax expense	4	-	-
Net Profit for the year	3	110,379	467,260
Other comprehensive income:			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		110,379	467,260

WARILLA SPORTS CLUB LIMITED ABN: 20 001 077 943
STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2016

	Note	2016 $	2015 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	239,079	677,561
Trade and other receivables	7	5,173	8,109
Inventories	8	36,738	46,361
Other assets	12	63,996	60,357
TOTAL CURRENT ASSETS		344,986	792,388
NON-CURRENT ASSETS			
Property, plant and equipment	9	4,902,354	5,051,794
Investment property	10	1,034,463	1,034,463
Intangible assets	11	111,637	111,637
TOTAL NON-CURRENT ASSETS		6,048,454	6,197,894
TOTAL ASSETS		6,393,440	6,990,282
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	315,574	731,423
Borrowings	14	353,628	1,900,681
Provisions	16	121,337	154,319
Membership received in advance		29,465	34,826
TOTAL CURRENT LIABILITIES		820,004	2,821,249
NON-CURRENT LIABILITIES			
Borrowings	14	1,299,539	-
Deferred tax liabilities	15	23,052	23,052
Provisions	16	15,786	21,301
TOTAL NON-CURRENT LIABILITIES		1,338,377	44,353
TOTAL LIABILITIES		2,158,381	2,865,602
NET ASSETS		4,235,059	4,124,680
EQUITY			
Reserves	24	103,775	103,775
Retained earnings		4,131,284	4,020,905
TOTAL EQUITY		4,235,059	4,124,680

The accompanying notes form part of these financial statements.

WARILLA SPORTS CLUB LIMITED ABN: 20 001 077 943
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2016

		Reserves	
	Retained Earnings	Revaluation Surplus	Subtotal
	$	$	$
Balance at 1 September 2014	3,553,645	103,775	3,657,420
Comprehensive income			
Profit for the year	467,260	-	467,260
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	467,260	-	467,260
Balance at 31 August 2015	4,020,905	103,775	4,124,680
Balance at 1 September 2015	4,020,905	103,775	4,124,680
Comprehensive income			
Profit for the year	110,379	-	110,379
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	110,379	-	110,379
Balance at 31 August 2016	4,131,284	103,775	4,235,059

The accompanying notes form part of these financial statements.

WARILLA SPORTS CLUB LIMITED ABN: 20 001 077 943
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3,958,370	4,448,133
Payments to suppliers and employees		(3,747,339)	(3,076,769)
Interest received		80	298
Finance costs		(111,269)	(133,315)
Net cash provided by/(used in) operating activities	20a	99,842	1,238,347
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		14,640	35,500
Purchase of property, plant and equipment		(305,450)	(723,401)
Net cash provided by/(used in) investing activities		(290,810)	(687,901)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		45,556	-
Repayment of borrowings		(293,070)	(154,099)
Net cash provided by/(used in) financing activities		(247,514)	(154,099)
Net increase/(decrease) in cash held		(438,482)	396,347
Cash and cash equivalents at beginning of financial year		677,561	281,214
Cash and cash equivalents at end of financial year	6	239,079	677,561

The accompanying notes form part of these financial statements.

This financial report includes the financial statements and notes of Warilla Sports Club Limited.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Income Tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Fair Value of Assets and Liabilities

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

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. 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 either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

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

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(c) Inventories

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

(d) Property, Plant and Equipment

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

Property

Freehold land and buildings are carried 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, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

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 and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(m) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of 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 entity and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and equipment	5-100%
Poker machines	40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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 and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Investment Property

Investment property, comprising freehold office complexes, is held to generate long-term rental yields. All tenant leases are on an arm's length basis. Investment property is initially measured at cost and subsequently measured at fair value.

Fair value of investment properties is determined based on a valuation by an independent valuer who has recognised and appropriate professional qualifications and recent experience in the location and category of investment property being valued. 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.

(f) 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 classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

(g) 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 entity commits itself to either the purchase or sale of the asset (ie trade date accounting is 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 expensed to profit or loss immediately.

Classification and Subsequent Measurement
Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The company does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss
Financial assets are classified at “fair value through profit or loss” when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company’s intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments
Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

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

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

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

(h) Impairment of Assets
At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset’s fair value less costs of disposal and value in use, to the asset’s carrying amount. Any excess of the asset’s carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

(i) Employee Benefits

Short-term employee benefits
Provision is made for the Company’s obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company’s obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The company’s obligations for employees’ annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(j) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 12 months or less, and bank overdrafts. Bank overdrafts are reported within borrowings in current liabilities on the statement of financial position.

(l) 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 allowed. When the inflow of consideration is deferred it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest method.

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

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

(m) Trade and Other Receivables

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

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

(n) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(o) 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 Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(p) Comparative Figures

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

Where the company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(q) 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 company.

Key Estimates

(i) Impairment - General

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key Judgements

(i) Provision for Impairment of Receivables

No provision for impairment has been made.

(ii) Poker machine licences

The entity holds poker machine licences either acquired through a past business combination or granted at no consideration by the NSW Government. AIFRS requires that licences outside of a pre-AIFRS transaction business combination be recognised initially at its fair value as at the date it was granted with a corresponding adjustment to the profit and loss statement to recognise the grant immediately as income. Prior to new gaming legislation taking effect in April 2002 allowing poker machine licences to be traded for the first time, the entity has determined that fair value at grant date for licences granted pre-April 2002 was zero. Should licences be granted to the entity post April 2002 they will be initially recognised at their fair value. The entity has determined that the market value for poker machine licences does not meet the definition of an active market and consequently licences recognised will not be revalued each year.

(r) New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the company, together with an assessment of the potential impact of such pronouncements on the company when adopted in future periods, are discussed below:

— AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Company's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

— AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

— AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).
When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Note 2 Revenue and Other Income

	2016 $	2015 $
(a) Revenue		
Sales revenue		
— poker machine revenue	2,073,156	2,256,320
— tab & keno commissions	116,846	144,666
— bar sales	1,417,253	1,654,304
Total sales revenue	3,607,255	4,055,290
Other revenue		
— interest received	80	298
— members subscriptions	38,755	32,935
— other commissions & vending machines	93,546	86,862
— social & entertainment	125,538	166,865
Total other revenue	257,919	286,960
Total sales revenue and other revenue	3,865,174	4,342,250
Other income		
— gain on disposal of property, plant and equipment	11,079	33,432
— Rental revenue	47,645	31,172
— poker machine GST compensation	17,180	17,180
— other income	25,515	54,463
Total other income	101,419	136,247
Interest revenue from:		
— other persons	80	298
Total interest revenue on financial assets	80	298
Total revenue	3,966,593	4,478,497

Note 3 Profit for the Year

	2016	2015
(a) Expenses	$	$
Cost of sales	605,187	730,570
Interest expense on financial liabilities		
— Unrelated parties	111,269	133,315
Total interest expense	111,269	133,315
Employee benefits expense	928,988	859,828

Note 4 Tax Expense

The club pays tax on income derived other than from members.
The club has accumulated tax losses.
The income tax position is as follows:

Future tax benefit not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1 occur:

	2016	2015
Tax losses carried forward	124,497	116,524
Timing difference	23,750	38,355
	148,247	154,879
Future tax benefit @ 30%	44,474	46,464

Note 5 Key Management Personnel Compensation

The totals of remuneration paid to KMP of the company and the Company during the year are as follows:

Andrew Gann (Resigned 29/04/2016)	Director (No remuneration)
Clarence Bailey	Director (No remuneration)
Stephen Anderson	Director (No remuneration)
Wayne Balmer	Director (No remuneration)
John Spinks	Director (No remuneration)
David Monaghan	Director (No remuneration)
Leanne Shooter	Director (No remuneration)
Gary Leighton	Secretary/General Manager (Remunerated)

	2016 $	2015 $
Total remuneration	140,275	125,928
Total KMP compensation	140,275	125,928

Note 6 Cash and Cash Equivalents

	2016 $	2015 $
Cash on hand	126,641	125,790
Cash at bank	112,438	551,771
	239,079	677,561

Note 7 Trade and Other Receivables

	2016 $	2015 $
CURRENT		
Trade receivables	1,371	6,060
Other receivables	3,802	2,049
Total current trade and other receivables	5,173	8,109

Note 8 Inventories

	2016 $	2015 $
CURRENT		
At cost		
Stock on hand	36,738	46,361
	36,738	46,361

Note 9 Property, Plant and Equipment

	2016 $	2015 $
LAND AND BUILDINGS		
Freehold land at:		
— directors' valuation 1998	150,000	150,000
— at cost	12,150	12,150
Total land	162,150	162,150
Buildings at:		
— directors' valuation 1998	375,000	375,000
— at cost	4,815,100	4,802,550
Accumulated depreciation	(1,290,116)	(1,179,767)
Total buildings	3,899,984	3,997,783
Total land and buildings	4,062,134	4,159,933
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	2,091,504	2,073,514
Accumulated depreciation	(1,713,721)	(1,584,283)
	377,783	489,231
Poker machine		
At cost	1,782,440	1,668,228
(Accumulated depreciation)	(1,344,522)	(1,286,412)
	437,918	381,816
Utensils & crockery		
At cost	24,519	20,814
	24,519	20,814
Total plant and equipment	840,220	891,861
Total property, plant and equipment	4,902,354	5,051,794

(a) **Movements in Carrying Amounts**

Movements in 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 and Equipment $	Total $
Balance at 1 September 2014	162,150	3,713,975	883,093	4,759,218
Additions	-	386,077	337,824	723,901
Disposals	-	-	(2,568)	(2,568)
Depreciation expense	-	(102,269)	(326,488)	(428,757)
Balance at 31 August 2015	162,150	3,997,783	891,861	5,051,794
Additions	-	12,550	292,900	305,450
Disposals	-	-	(3,259)	(3,259)
Depreciation expense	-	(110,349)	(341,282)	(451,631)
Balance at 31 August 2016	162,150	3,899,984	840,220	4,902,354

(b) The Company's land and buildings were revalued by Mr G Bird of MMJ Wollongong on 2 June 2014 at $5,170,000. Valuations were made on the basis of open market value.

(c) The company borrowed a bank loan with facility limit up to $1,850,000 for the purpose refinance of existing commercial bill. As at 31st August 2016, the company had an outstanding loan balance of $1,636,447.

Note 10 Investment Property

	2016 $	2015 $
Balance at beginning of year	1,034,463	1,034,463
Balance at end of year	1,034,463	1,034,463

Note 11 Intangible Assets

	2016 $	2015 $
Poker machine license entitlements at cost	196,095	196,095
Directors' valuation 2006	(48,459)	(48,459)
Directors' valuation 2008	(36,000)	(36,000)
Total intangibles	111,637	111,637

The poker machine entitlements are with indefinite useful lives and therefore, will be tested for impairment annually at the cash-generating unit level. The entitlements are not amortised.

Note 12 Other Assets

	2016 $	2015 $
CURRENT		
Prepayments	58,996	55,357
TAB security bond	5,000	5,000
	63,996	60,357

Note 13 Trade and Other Payables

	2016 $	2015 $
CURRENT		
Unsecured liabilities		
Trade payables	182,636	568,465
Sundry payables and accrued expenses	99,389	151,620
GST Payables	33,549	11,338
	315,574	731,423

Note 14 Borrowings

	Note	2016 $	2015 $
CURRENT			
Secured liabilities			
Bank loans	14a,c	336,908	1,876,461
Insurance Loan	14d	16,720	-
Hire purchase		-	24,220
Total current borrowings		353,628	1,900,681
NON-CURRENT			
Bank loans	14a,c	1,299,539	-
Total non-current borrowings		1,299,539	-
Total borrowings	23	1,653,167	1,900,681

	2016 $	2015 $
(a) Total current and non-current secured liabilities:		
Bank loans	1,636,447	1,876,461
Insurance Loan	16,720	-
Hire purchase	-	24,220
	1,653,167	1,900,681
(b) The carrying amounts of non-current assets pledged as security are:		
Freehold land and buildings	4,062,134	4,159,933
Investment Property	1,034,463	1,034,463
	5,096,597	5,194,396

(c) The loan was refinanced through National Australian Bank with facility limit up to $1,850,000. The new loan facility commenced on 16/12/2015 and expires on 31/12/2020. The interest rate is 5.88% fixed for 5 years with monthly repayment of $35,205.46. As at 31st August 2016, the outstanding loan balance was $1,636,447. The loan is secured over all of the present and future rights, property and undertaking of Warilla Sports Club Ltd including the following properties:

(1) Registered mortgage over property situated at 25 Jason Avenue Barrack Heights NSW more particularly described in Certificate of Title Folio Identifier 183/23882.

(2) Registered mortgage over property situated at 21 Jason Avenue Barrack Heights NSW more particularly described in Certificate of Title Folio Identifier 185/23882.

(3) Registered mortgage over property situated at 23 Jason Avenue Barrack Heights NSW more particularly described in Certificate of Title Folio Identifier 184/23882.

(4) Registered mortgage over property situated at 54 McGregor Avenue Barrack Heights NSW more particularly described in Certificate of Title Volume 14942 Folio 114.

(d) The premium funding agreement was engaged to repay the insurance premiums. The loan will be repaid in 10 months with $4,549 per month commencing 20/03/2016.

(e) The company had an unused facility of $175,000 for the asset finance - leasing through National Australian Bank. Total amount of facility limit was $175,000.

Note 15 Tax

	Opening Balance	Charged to Income	Charged directly to Equity	Changes in Tax Rates	Exchange Differences	Closing Balance
NON-CURRENT	$	$	$	$	$	$
Deferred tax liabilities						
Other	23,052	-	-	-	-	23,052
Balance as at 31 August 2015	23,052	-	-	-	-	23,052
Other	23,052	-	-	-	-	23,052
Balance as at 31 August 2016	23,052	-	-	-	-	23,052

Note 16 Provisions

	2016	2015
CURRENT		
Provision for annual & sick leave	81,519	97,115
Provision for long service leave	39,818	57,204
Total	121,337	154,319
NON-CURRENT		
Provisions for long service leave	15,786	21,301
Total	15,786	21,301

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Note 17 Capital and Leasing Commitments

	Note	2016 $	2015 $
(a) **Finance Lease Commitments**			
Payable — minimum lease payments			
— not later than 12 months		-	24,822
— between 12 months and 5 years		-	-
— later than 5 years		-	-
Minimum lease payments		-	24,822
Less future finance charges		-	(602)
Present value of minimum lease payments	14	-	24,220

The finance lease (which commenced in September 2012), related to the IGMI Card IT System and is a 3 year lease financed through National Australia Bank. The month repayment is $4,845.10 for 36 months and was fully extinguished during the year.

Note 18 Contingent Liabilities and Contingent Assets

(a) The Company had no contingent liabilities as at 31 August 2016 (2015: none).
(b) The Company has bank guarantees of $12,000 as at 31 August 2016 (2015: $12,000).

Note 19 Operating Segments

The company operates in one industry, the principal activity being that of a licenced club providing gaming bar dining and entertainment facilities for members and their guests. It derives its income from one geographic location being Warilla/Barrack Heights, NSW.

Note 20 Cash Flow Information

	2016 $	2015 $
(a) Reconciliation of Cash Flows from Operating Activities with Profit after Income Tax		
Profit after income tax	110,379	467,260
Non-cash flows in profit		
Depreciation	451,329	428,757
Net (gain)/loss on disposal of property, plant and equipment	(11,079)	(33,432)
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	2,936	3,366
(Increase)/decrease in prepayments	(3,639)	3,521
(Increase)/decrease in inventories	9,623	10,280
Increase/(decrease) in trade payables and accruals	(415,849)	377,100
Increase/(decrease) in income in advance	(5,361)	(20,318)
Increase/(decrease) in provisions	(38,497)	1,813
Cash flows from operating activities	99,842	1,238,347

Note 21 Events After the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

Note 22 Related Party Transactions

(a) The Company's main related parties are as follows:

i. Key Management Personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 5.

Note 23 Financial Risk Management

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

The totals for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

	Note	**2016 $**	**2015 $**
Financial Assets			
Cash and cash equivalents	6	239,079	677,561
Loans and receivables	7	5,173	8,109
Total Financial Assets		244,252	685,670
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	13	315,574	731,423
— Borrowings	14	1,653,167	1,900,681
Total Financial Liabilities		1,968,741	2,632,104

Financial Risk Management Policies

The Directors' overall risk management strategy seeks to assist the company in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk, and market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity and equity price risk). There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the entity.

Credit risk is managed through the maintenance of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the company, credit terms are generally 0 to 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the FOC has otherwise assessed as being financially sound. Where the Company is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Collateral held by the entity securing receivables are detailed in Note 7(d).

The entity has no significant concentration of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 7.

b. Liquidity risk

Liquidity risk arises from the possibility that the entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The entity manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities
- using derivatives that are only traded in highly liquid markets
- monitoring undrawn credit facilities
- obtaining funding from a variety of sources
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- only investing surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider that there is any material risk that the bank will terminate such facilities. The bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year end could become repayable within 12 months. Financial guarantee liabilities are treated as payable on demand since the entity has no control over the timing of any potential settlement of the liability.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore defer from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	$	$	$	$	$	$	$	$
Financial liabilities due for payment								
Bank loans	336,908	1,876,461	1,299,539	-	-	-	1,636,447	1,876,461
Trade and other payables	315,574	731,423	-	-	-	-	315,574	731,423
Other loans	16,720	24,220	-	-	-	-	16,720	24,220
Total expected outflows	669,202	2,632,104	1,299,539	-	-	-	1,968,741	2,632,104

	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	$	$	$	$	$	$	$	$
Financial Assets - cash flows realisable								
Cash and cash equivalents	239,079	677,561	-	-	-	-	239,079	677,561
Trade, term and loans receivables	5,173	8,109	-	-	-	-	5,173	8,109
Total anticipated inflows	244,252	685,670	-	-	-	-	244,252	685,670
Net (outflow) / inflow on financial instruments	(424,950)	(1,946,434)	(1,299,539)	-	-	-	(1,724,489)	(1,946,434)

c. Market Risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments. The financial instruments that primarily expose the company to interest rate risk are borrowings, shares in listed companies and trusts, foreign exchange forward contracts, interest rate swaps, government and fixed interest securities, and cash and cash equivalents.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Company. Most of these instruments, which are carried at amortised cost (ie term receivables, held-to-maturity assets, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Company.

	Note	2016		2015	
		Carrying Amount $	Fair Value $	Carrying Amount $	Fair Value $
Financial assets					
Cash and cash equivalents (i)	6	239,079	239,079	677,561	677,561
Trade and other receivables	7	5,173	5,173	8,109	8,109
Total financial assets		244,252	244,252	685,670	685,670
Financial liabilities					
Trade and other payables (i)	13	315,574	315,574	731,423	731,423
Other loans	14	16,720	16,720	24,220	24,220
Bank loans		1,636,447	1,636,447	1,876,461	1,876,461
Total financial liabilities		1,968,741	1,968,741	2,632,104	2,632,104

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

Note 24 Reserves

Revaluation Surplus

The revaluation surplus records revaluations of non-current assets. Under certain circumstances dividends can be declared from this reserve.

Note 25 Member's Guarantee

The company is limited by guarantee. If the company is wound up, the articles of association state that each member is required to contribute a maximum of $2 each. At 31 August 2016 the number of members was 16,067 (2015: 15,116)

Note 26 Additional Information Required Under the Registered Clubs Act 1976

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 31 August 2016;

(a) the following properties are core property of the Club;
  - (i) licensed premises at McGregor Avenue, Barrack Heights;
  - (ii) car park at McGregor Avenue, Barrack Heights.

(b) the following properties are non-core property of the Club;
  - (i) residential property at 21 Jason Avenue, Barrack Heights;
  - (ii) residential property at 23 Jason Avenue, Barrack Heights;
  - (iii) residential property at 25 Jason Avenue, Barrack Heights.

Note 27 Company Details

The registered office of the company is:
Warilla Sports Club Limited
54 McGregor Avenue
Barrack Heights NSW 2528

The principal place of business is:
Warilla Sports Club Limited
54 McGregor Avenue
Barrack Heights NSW 2528

WARILLA SPORTS CLUB LIMITED ABN: 20 001 077 943
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Warilla Sports Club Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 5 to 21, are in accordance with the Corporations Act 2001 and:
   (a) comply with Australian Accounting Standards; and
   (b) give a true and fair view of the financial position as at 31 August 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;

Director ______________________________

John Spinks

Dated this day of 2016

Director ______________________________

Clarence Bailey

Dated this day of 2016

WARILLA SPORTS CLUB LIMITED ABN: 20 001 077 943
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WARILLA SPORTS CLUB LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Warilla Sports Club Limited, which comprises the statement of financial position as at 31 August 2016, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company at the year's end or from time to time during the financial year.

Directors' 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.

Auditor's 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. 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 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, which has been given to the directors of Warilla Sports Club Limited, would be in the same terms if provided to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

the financial report of Warilla Sports Club Limited 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 August 2016 and of their performance for the year ended on that date; and
ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Name of Firm: O'Donnell Hennessy & Co

Name of Partner: Karl Taylor

Address: WOLLONGONG

Dated this day of 2016

ACCOUNTANTS COMPILATION REPORT

Scope

On the basis of information provided by the Directors of Warilla Sports Club Limited we have compiled the General Purpose Financial Report, being the summaries of Trading and Profit and Loss statements for the year ended 31st August, 2016.
The purpose of the report is to provide additional information to the members.

The additional information is in accordance with the books and records of Warilla Sports Club Limited which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 31 August 2016. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Directors provided, into a financial report.

The General Purpose Financial Report was prepared for the benefit of the Company and it's members and the purpose identified above. We do not accept responsibility to any other person for the contents of the General Purpose Financial Report.

O'DONNELL HENNESSY & CO

Chartered Accountants

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Partner: Karl Taylor
WOLLONGONG

Date:

ADDITIONAL FINANCIAL INFORMATION
FOR THE YEAR ENDED 31ST AUGUST 2016

	2016 $	2015 $
BAR TRADING		
Sales	1,417,253	1,654,304
Cost of Sales	605,187	730,570
Gross Profit	812,066	923,734
Depreciation	16,489	18,235
Repairs & Replacements	10,385	11,381
Wages & Entitlements	353,837	350,841
	380,711	380,457
GROSS PROFIT FROM BAR TRADING	431,355	543,277
POKER MACHINE ACCOUNT		
Takings	2,073,156	2,256,320
Depreciation	232,439	217,613
Monitoring & LAB fees	33,090	32,433
Poker Machine analysis software	20,026	16,447
Poker Machine Duty	310,674	348,198
Poker Machine license fees	16,169	14,367
Promotions	154,593	137,857
Repairs & Maintenance	26,829	32,122
Wages & Entitlements	63,147	49,663
	856,967	848,700
GROSS PROFIT FROM POKER MACHINES	1,216,189	1,407,620
KENO TRADING ACCOUNT		
Keno Commission	103,225	125,878
Depreciation	1,102	1,941
Stationery & Rental	6,563	6,217
Wages & Entitlements	37,619	52,397
	45,284	60,555
PROFIT FROM KENO	57,941	65,323
TAB TRADING ACCOUNT		
TAB Commission	13,621	18,788
Depreciation	4,627	6,620
Stationery & rental	-	158
Sky Channel & Thorough Vision	22,606	23,247
Wages & Entitlements	46,557	57,902
	73,790	87,927
LOSS FROM TAB	(60,169)	(69,139)

To be read in conjunction with Accountant's Compilation Report

ADDITIONAL FINANCIAL INFORMATION
FOR THE YEAR ENDED 31ST AUGUST 2016

STATEMENT OF OPERATING PROFIT

	Note	2016 $	2015 $
INCOME			
Profit / (Loss) Transferred from:			
- Bar Trading		431,355	543,277
- Poker Machine Trading		1,216,189	1,407,620
- Keno Trading Account		57,941	65,323
- TAB Trading Account		(60,169)	(69,139)
Total Income from trading		1,645,316	1,947,081
Commission, Vending & Function Income		93,546	86,862
Interest received		80	298
Members' Subscriptions		38,755	32,935
Other Income		25,515	54,463
Profit/(Loss) on Sale of Assets		11,079	33,432
Poker Machine GST Compensation		17,180	17,180
Rent		47,645	31,172
Social & Entertainment	1	125,538	166,865
TOTAL INCOME		2,004,654	2,370,288
EXPENDITURE			
Advertising & promotion		33,925	38,001
AGM printing & expenses		12,825	8,998
Audit & Accountancy Fees		41,245	40,310
Badges & Membership Expenses		3,184	3,023
Bank Charges		8,245	8,014
Catering subsidy		13,996	87,831
Club shirts - for resale		-	324
Cleaning & Laundry	3	86,487	82,805
Computer Software & expenses		10,442	13,040
Courtesy Bus	4	47,455	49,741
Depreciation - Buildings		110,349	102,268
Depreciation - Other		86,323	82,080
Directors drinks, meals & blazers		12,766	14,118
Delegate expenses		13,111	16,836
Sub-total carried forward		480,353	547,389

To be read in conjunction with Accountant's Compilation Report

ADDITIONAL FINANCIAL INFORMATION
FOR THE YEAR ENDED 31ST AUGUST 2016

STATEMENT OF OPERATING PROFIT (Continued)

	Note	2016 $	2015 $
EXPENDITURE (Continued)			
Sub-total brought forward		480,353	547,389
Electricity & Gas		83,167	91,226
Employee Entitlement Provision		27,767	20,935
Insurance - general		36,293	33,659
Insurance - workers compensation		17,543	20,581
Interest		111,269	133,315
Legal fees		2,768	1,952
Music artists & bands		52,955	55,654
Payroll Tax		14,238	8,005
Postage, Printing & Stationery		17,824	18,560
Rates		20,205	20,686
Rental Property Expenses		25,860	36,154
Repairs & Maintenance		61,016	45,232
Security		7,595	7,195
Social & Entertainment	2	337,025	359,197
Staff amenities & training		19,738	8,766
Stocktake expenses		8,125	4,925
Subscriptions & licences	5	68,930	58,467
Superannuation		84,480	75,145
Telephone		9,180	7,629
Travelling & motor running		3,234	3,975
Uniforms		536	2,665
Wages - Administration		272,391	210,367
Wages - Doorman & yard		43,190	42,578
Total Expenditure		1,805,682	1,814,257
Operating Profit before donations		198,972	556,031
Donations made		88,593	88,771
Operating Profit /(Loss) before income tax benefit/(expense		110,379	467,260
Deferred income tax benefit/(expense)		-	-
Operating Profit /(Loss) after income tax benefit/(expense)		110,379	467,260

To be read in conjunction with Accountant's Compilation Report

ADDITIONAL FINANCIAL INFORMATION - NOTES
FOR THE YEAR ENDED 31ST AUGUST 2016

	2016 $	2015 $
1 Social & Entertainment Income		
Bingo income	15,987	19,804
Food fair	52,365	66,141
Meat market income	44,695	57,049
Raffle income	12,491	23,871
	125,538	166,865
2 Social & Entertainment Expenses		
Bingo	101,767	106,942
Charity housie	7,117	7,383
Drink & Meal	46,675	43,826
Food fair	56,209	57,769
Meat Market	56,512	57,635
Prizes & Trophies	17,772	18,567
Social function expenses	34,239	34,275
Raffle expenses	16,734	32,800
	337,025	359,197
3 Cleaning		
Cleaning Materials	31,955	28,290
Contract Cleaning	54,532	54,515
	86,487	82,805
4. Courtesy bus expenses		
Expenses	47,455	49,741
	47,455	49,741
5 Subscriptions & Licences		
Affiliation Fees	1,900	-
APRA	1,217	1,317
Austar/Fox sports	53,166	47,130
Filing Fees	46	45
Other Licences	5,314	2,835
Clubs NSW (RCA)	7,287	7,140
	68,930	58,467

To be read in conjunction with Accountant's Compilation Report