

Bendigo District RSL Sub-Branch Inc

Financial Statements

31 December 2016

Bendigo District RSL Sub Branch Inc

31 December 2016

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Bendigo District RSL Sub Branch Inc

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2016

	Note	2016 \$	2015 \$
Sales	2	10,368,180	9,377,925
Cost of sales	3	(4,262,782)	(3,907,775)
Gross profit		6,105,398	5,470,150
Other income	2	28,509	166,023
Administration expense		(351,256)	(366,471)
Advertising and promotion costs		(286,731)	(272,736)
Depreciation and amortisation expense	3	(218,957)	(212,839)
Finance costs	3	(3,197)	(3,367)
Occupancy and associated costs		(1,113,462)	(1,137,100)
Salaries and employee benefits expense		(2,970,006)	(2,633,027)
Other expenses	3	(858,344)	(572,234)
Current year surplus before income tax expense		331,954	438,399
Income tax expense		-	-
Net current year surplus		331,954	438,399
Other comprehensive income		-	-
Total comprehensive income for the year		331,954	438,399

Bendigo District RSL Sub Branch Inc

Statement of Financial Position

As at 31 December 2016

	Note	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	4	673,571	650,497
Trade and other receivables	5	15,441	17,413
Inventories	6	62,818	61,678
Other assets	7	23,499	24,219
Total current assets		775,329	753,807
Non-current assets			
Trade and other receivables	5	899,626	599,626
Intangible assets	8	1,246,955	1,399,425
Total non-current assets		2,146,581	1,999,051
Total assets		2,921,910	2,752,858
Current liabilities			
Trade and other payables	9	475,383	444,962
Financial liabilities	10	215,502	215,502
Provisions	11	147,557	150,506
Total current liabilities		838,442	810,970
Non-current liabilities			
Trade and other payables	9	8,000	8,000
Financial liabilities	10	371,850	587,352
Provisions	11	31,894	6,766
Total non-current liabilities		411,744	602,118
Total liabilities		1,250,186	1,413,088
Net assets		1,671,724	1,339,770
Equity			
Retained surplus		1,007,328	675,374
Contributed equity		664,396	664,396
Total equity		1,671,724	1,339,770

Bendigo District RSL Sub Branch Inc

Statement of Changes in Equity

For the Year Ended 31 December 2016

	Contributed Equity	Retained Surplus \$	Total Equity \$
Balance at 1 January 2015	664,396	236,975	901,371
Net surplus for the year	-	438,399	438,399
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year attributable to members of the entity	-	438,399	438,399
Balance at 31 December 2015	664,396	675,374	1,339,770
Net surplus for the year	-	331,954	331,954
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year attributable to members of the entity	-	331,954	331,954
Balance at 31 December 2016	664,396	1,007,328	1,671,724

Bendigo District RSL Sub Branch Inc

Statement of Cash Flows

For the Year Ended 31 December 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers		10,389,338	9,581,462
Payments to suppliers and employees		(10,088,429)	(8,903,529)
Interest received		7,351	3,042
Finance costs		(3,197)	(3,367)
Net cash provided by operating activities	14	305,063	677,608
Cash flows from investing activities			
Purchase of gaming machine entitlements		(66,487)	-
Net cash provided by / (used in) investing activities		(66,487)	-
Cash flows from financing activities			
Repayments of gaming machine entitlement borrowings		(215,502)	(215,502)
Net cash used in financing activities		(215,502)	(215,502)
Net increase in cash held		23,074	462,106
Cash and cash equivalents at the beginning of the financial year		650,497	188,391
Cash and cash equivalents at the end of the financial year	4	673,571	650,497

Bendigo District RSL Sub Branch Inc

Notes to the Financial Statements

For the Year Ended 31 December 2016

Note 1. Summary of Significant Accounting Policies

The financial statements were authorised for issue on 7 March 2017 by the committee.

Basis of preparation

The Bendigo District RSL Sub Branch Inc. applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* and other applicable Australian Accounting Standards - Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and with the *Associations Incorporation Reform Act 2012*. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the association and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- *Gaming, TAB, Bingo and Keno Revenue:* The gaming revenue directly attributable to the association is recognised as the residual value after deducting the return to customers from the wagering and gaming turnover net of the amounts of revenue collected by the venue on behalf of Intralot and the Government. The association recognises only the associations portion of revenue.
- *Bar and Kitchen Revenue:* Revenue is recognised when the significant risks and rewards of ownership of the goods passes to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.
- *Membership Revenue:* Revenue from membership fees are recognised progressively over the period to which the membership relates. Membership fees are levied on a financial year basis.
- *Interest:* Interest is recognised on a proportional basis taking into account the interest rates applicable to the financial asset.
- *Other:* Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

Bendigo District RSL Sub Branch Inc

Notes to the Financial Statements

For the Year Ended 31 December 2016

Note 1. Summary of Significant Accounting Policies (continued)

(b) Income tax

The association has negotiated with the Australian Taxation Office that income tax payable by the Sub-Branch is to be calculated after taking into account a number of community activities and the provision for capital maintenance. Therefore an income tax exemption was gained on the basis of the association being a charitable institution under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

(d) 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 (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 component of cash flows arising from investing and 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.

(e) 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.

(f) Trade and other receivables

Trade and other receivables include amounts 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.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on an average cost basis.

(h) Intangibles

Gaming Machine Entitlements

Gaming machine entitlements are recognised at net present value. The useful life of the asset expires in line with the expiry of the gaming machine entitlements held. The asset is being amortised on a straight line basis over their expiry period.

Bendigo District RSL Sub Branch Inc

Notes to the Financial Statements

For the Year Ended 31 December 2016

Note 1. Summary of Significant Accounting Policies (continued)

(i) Property, plant and equipment

All property, plant and equipment is held by the Building Patriotic Fund, the accounts for which are included later in this annual report. The rental payable for the use of these facilities is included in Note 3 as rental expenses on operating leases.

(j) 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 association commits itself to either purchase or sell 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 recognised immediately as expenses in profit or loss.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate 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 exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(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) Financial liabilities

Non-derivative financial liabilities (excluding 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.

Bendigo District RSL Sub Branch Inc

Notes to the Financial Statements

For the Year Ended 31 December 2016

Note 1. Summary of Significant Accounting Policies (continued)

(j) Financial instruments (continued)

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors (or a group of debtors) are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account, or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the association recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(k) Impairment of assets

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying 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). 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 a class of asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

(l) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the association during the reporting period 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.

Bendigo District RSL Sub Branch Inc

Notes to the Financial Statements

For the Year Ended 31 December 2016

Note 1. Summary of Significant Accounting Policies (continued)

(m) Provisions

Provisions are recognised when the association 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.

(n) Employee benefits

Short-term employee benefits

Provision is made for the association'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 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The association's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The association classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are 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. Provision is made for the association's obligation for other long-term employee benefits, which 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. Upon the remeasurements of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

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

(o) 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, recognising an asset and a liability equal to the 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 recognised as expenses on a straight-line basis over the lease term.

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

Bendigo District RSL Sub Branch Inc

Notes to the Financial Statements

For the Year Ended 31 December 2016

Note 1. Summary of Significant Accounting Policies (continued)

(p) Comparative figures

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

(q) Key estimates

(i) Impairment

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

(r) Key judgments

(i) Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the association expects all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the association believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligation is settled.

Note 2. Revenue	2016 \$	2015 \$
Operating activities:		
- Gaming revenue	6,092,124	5,618,044
- Bar sales	1,492,279	1,331,085
- Kitchen sales	2,431,234	2,093,358
- Memberships	60,260	80,457
- TAB commissions	74,661	80,634
- Keno commissions	20,265	19,903
- Other income	197,357	154,444
Total revenue from operation activities	10,368,180	9,377,925
Non-operating activities:		
- Interest received	7,351	3,042
- Bequest	21,158	100,000
- Insurance	-	62,981
Total revenue from non-operating activities	28,509	166,023
Total revenue	10,396,689	9,543,948

Bendigo District RSL Sub Branch Inc

Notes to the Financial Statements

For the Year Ended 31 December 2016

	2016	2015
	\$	\$
Note 3. Surplus for the Year		
(a) Expenses		
Cost of goods sold		
- Gaming	2,982,929	2,715,368
- Kitchen and Bar	1,279,853	1,192,407
	<u>4,262,782</u>	<u>3,907,775</u>
Depreciation and amortisation		
- Plant and equipment	-	1,562
- Gaming machine entitlements	218,957	211,277
	<u>218,957</u>	<u>212,839</u>
Finance costs	3,197	3,367
Rent expense on operating lease	780,000	780,000
(b) Significant Revenue and Expenses		
The following significant expense items contained within other expenses are relevant in explaining the financial performance:		
- Soldiers Memorial Institute Military Museum project costs	29,969	-
- Gaming machine entitlements planning and application costs	92,978	-
	<u>122,947</u>	<u>-</u>
Note 4. Cash and Cash Equivalents		
<i>CURRENT</i>		
Cash on hand	198,188	167,725
Cash at bank	475,383	482,772
	<u>673,571</u>	<u>650,497</u>
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Note 5. Trade and Other Receivables		
<i>CURRENT</i>		
Trade receivables	15,441	17,413
<i>NON-CURRENT</i>		
Loan to Building Patriotic Fund	899,626	599,626
Total trade and other receivables	<u>915,067</u>	<u>617,039</u>
The loan to the Building Patriotic Fund is interest free with no minimum repayments or date repayable.		
<i>Financial asset classified as loans and receivables</i>		
Trade and other receivables:		
- total current	15,441	17,413
- total non-current	899,626	599,626
	<u>915,067</u>	<u>617,039</u>
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Bendigo District RSL Sub Branch Inc

Notes to the Financial Statements

For the Year Ended 31 December 2016

	2016	2015
	\$	\$
Note 6. Inventories		
<i>CURRENT</i>		
Stock on hand at cost	62,818	61,678
Note 7. Other Assets		
<i>CURRENT</i>		
Prepayments	23,499	24,219
Note 8. Intangible Assets		
Gaming machine entitlements		
At cost	2,179,255	2,112,768
Accumulated amortisation	(932,300)	(713,343)
	1,246,955	1,399,425
In 2010, the Club purchased Gaming Machine Entitlements for 81 machines, via the Victorian State Government 'pre auction club offer'. These entitlements took effect in August 2012, and the entitlements are in place for a period of 10 years. During the current financial year a further 12 machine entitlements were purchased, which expiry on the same date being in August 2022.		
Note 9. Trade and Other Payables		
<i>CURRENT</i>		
Trade payables	186,277	193,946
Sundry payables	39,292	31,785
Accrued expenses	12,150	31,760
Income in advance	57,578	42,929
Other payables (net amount of GST payable)	180,086	144,542
	475,383	444,962
<i>NON-CURRENT</i>		
Other loans	8,000	8,000
Total trade and other payables	483,383	452,962
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Trade payables and other payables:		
- total current	475,383	444,962
- total non-current	8,000	8,000
	483,383	452,962
Less other payables (net amount of GST payable)	(180,086)	(144,542)
Financial liabilities as trade and other payables	303,297	308,420

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Bendigo District RSL Sub Branch Inc

Notes to the Financial Statements

For the Year Ended 31 December 2016

		2016	2015
Note 10. Financial Liabilities		\$	\$
<i>CURRENT</i>			
Gaming machine entitlements		215,502	215,502
<i>NON-CURRENT</i>			
Gaming machine entitlements		371,850	587,352
Total financial liabilities	15	587,352	802,854

Note 11. Provisions			
<i>CURRENT</i>			
Employee benefits - annual leave		103,975	94,627
Employee benefits - long service leave		43,582	55,879
		147,557	150,506
<i>NON-CURRENT</i>			
Employee benefits - long service leave		31,894	6,766
Total provisions		179,451	157,272

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 association 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 association 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.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1 (n).

Note 12. Contributed Equity			
<i>CURRENT</i>			
Members Funds		153,004	153,004
RSL Sub Branch Pall Mall		27,097	27,097
RSL Sub Branch Eaglehawk		3,353	3,353
RSL Sub Branch Loan Eaglehawk and Kangaroo Flat		8,000	8,000
Retained earnings brought forward		472,942	472,942
		664,396	664,396

Bendigo District RSL Sub Branch Inc

Notes to the Financial Statements

For the Year Ended 31 December 2016

	2016	2015
	\$	\$
Note 13. Capital and Leasing Commitments		
(a) Finance lease commitments		
No finance lease commitments were contracted for at year end.		
(b) Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
- not later than 12 months	11,128	11,128
- between 12 months and 5 years	20,627	31,651
- greater than 5 years	1,378	1,482
	<u>33,133</u>	<u>44,261</u>
 The property lease for the RSL Memorial Hall is a non-cancellable lease with a 21 year term. The lease is restricted to use for the Soldiers Memorial Institute Military Museum.		
 The copier and printer lease commitment is a non-cancellable operating lease contracted for but not capitalised in the financial statements with a term of five years, with rent payable monthly in advance.		
(c) Capital expenditure commitments		
No capital expenditure commitments were contracted for at year end.		
Note 14. Cash Flow Information		
Reconciliation of cash flow from operations with surplus after income tax		
Surplus after income tax expense	331,954	438,399
Non-cash flows in surplus:		
- Depreciation and amortisation	218,957	212,839
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	(298,028)	40,556
- (Increase)/decrease in other assets	720	20,556
- (Increase)/decrease in inventories	(1,140)	(19,897)
- Increase/(decrease) in trade and other payables	30,421	(39,478)
- Increase/(decrease) in provisions	22,179	24,633
Cash flows from operations	<u>305,063</u>	<u>677,608</u>

Bendigo District RSL Sub Branch Inc

Notes to the Financial Statements

For the Year Ended 31 December 2016

		2016	2015
		\$	\$
Note 15. Financial Risk Management			
The association's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and leases.			
The totals of each category of financial instruments, measured in accordance with AASB 139 detailed in the accounting policies to these financial statements, are as follows:			
Financial assets			
Cash and cash equivalents	4	673,571	650,497
Trade and other receivables	5	915,067	617,039
Total financial assets		1,588,638	1,267,536
Financial liabilities			
Financial liabilities at amortised cost:			
- trade and other payables	9	303,297	308,420
- financial liabilities	10	587,352	802,854
Total financial liabilities		890,649	1,111,274

Note 16. Related Party Disclosures

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

No committee members have entered into any material contract with the association since the end of the previous financial year and there were no material contracts involving committee members interests subsisting at year end. There were no loans to committee members.

Note 17. Contingent Liabilities and Assets

During the 2016 year the Commonwealth and State Government committed to funding the redevelopment of the Soldiers Memorial Institute located in Pall Mall, Bendigo. The redevelopment funding commitment was based on additional contributions from the City of Greater Bendigo (COGB) and the Bendigo District RSL Sub Branch Inc. The Bendigo District RSL Sub Branch Inc has committed to a minimum contribution of \$250K, as stipulated in correspondence with COGB, towards the Soldiers Memorial Institute redevelopment. The contribution will consist of a Bendigo District RSL Sub Branch Inc cash contribution with additional funds raised via a public appeal for donations, bequests and other appropriate funding. The contribution may be in the form of a full monetary contribution or include in-kind labour contributed towards the project.

This Bendigo District RSL Sub Branch Inc commitment is contingent on the Commonwealth and State Government funding. At the date of this report no formal agreements had been signed.

Note 18. Events after the Reporting Period

There have been no events subsequent to the balance sheet date that have an impact that would require disclosure in the financial statements or notes there of.

Bendigo District RSL Sub Branch Inc

Notes to the Financial Statements

For the Year Ended 31 December 2016

Note 19. Economic Dependency

The association is economically dependant on the continued support of its bankers (ANZ), provision of electronic gaming machines and the continued occupation of its premises (Patriotic Fund). Any change in one or more of the above would have a significant adverse effect on the associations ability to continue to trade as a going concern.

Note 20. Association Details

The registered office of the association is:

Bendigo District RSL Sub Branch Inc
73-75 Havilah Road
Bendigo Vic 3550

The principal place of business is:

Bendigo District RSL Sub Branch Inc
73-75 Havilah Road
Bendigo Vic 3550

Independent Auditor's Report to the Members of Bendigo District RSL Sub-Branch Inc

Report on the audit of the financial statements

Our opinion

In our opinion:

The accompanying financial report of Bendigo District RSL Sub-Branch Inc, is in accordance with the *Associations Incorporation Reform Act 2012*, including:

- i. giving a true and fair view of the association's financial position as at 31 December 2016 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards - Reduced Disclosure Requirements.

What we have audited

Bendigo District RSL Sub-Branch Inc (the association) financial report comprises the:

- ✓ statement of financial position as at 31 December 2016
- ✓ statement of profit or loss and other comprehensive income for the year then ended
- ✓ statement of changes in equity for the year then ended
- ✓ statement of cash flows for the year ended on that date
- ✓ notes comprising a summary of significant accounting policies and other explanatory notes, and
- ✓ the certification by members of the committee that the annual statements give a true and fair view of the financial position of the association.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

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

Independence

We are independent of the association in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Committee's responsibility for the financial report

The committee of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Associations Incorporation Reform Act 2012* and for such controls as the committee determines is necessary to enable preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the association's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intend to liquidate the association or cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/home.aspx>. This description forms part of our auditor's report.



Andrew Frewin Stewart
61 Bull Street, Bendigo, 3550
Dated this 7th day of March 2017



Adrian Downing
Lead Auditor

Bendigo District RSL Sub Branch Inc

Income and Expenditure Statement

For the Year Ended 31 December 2016

	2016	2015
	\$	\$
INCOME		
<i>Operating Activities:</i>		
Gaming	6,092,124	5,618,044
TAB	74,661	80,634
Keno	20,265	19,903
Bar	1,492,279	1,331,085
Kitchen	2,431,234	2,093,358
Vouchers	-	310
Function Room	36,095	30,954
Membership - Service and Affiliate	11,104	31,491
Membership - Social	49,156	48,966
Pool Table	2,867	1,956
Tennis Section	1,990	2,062
Government Grant	27,315	6,755
Sundry Income	126,057	106,730
Vending Machines	3,033	5,677
<i>Non Operating Activities:</i>		
Interest	7,351	3,042
Bequest	21,158	100,000
Insurance	-	62,981
Total income	10,396,689	9,543,948
EXPENDITURE		
Bar Purchases	424,702	419,927
Audit Fees / Accountancy	17,135	17,900
Advertising	34,612	45,358
Amortisation	218,957	211,277
Bank Charges	4,009	4,960
Cleaning	106,924	114,110
Cash Variance	1,199	2,847
Committee Costs	21,363	15,605
Consultancy Fees	27,064	38,237
Depreciation	-	1,562
Donations	21,254	33,256
Gas	22,125	18,089
Electricity	127,223	127,688
Entertainers / Bands	36,252	39,458
Freight & Cartage	11,686	12,805
Fringe Benefits Tax	378	(218)
Gaming Expenses	3,137,591	2,842,051
Insurance	36,799	47,459
Interest	3,197	3,367
General Expenses	123,814	118,960
Keno Expense	7,836	9,117
Kitchen Expense	815,735	728,952
Raffle Expense	30,792	30,286
Legal Expense	150	-

Bendigo District RSL Sub Branch Inc

Income and Expenditure Statement

For the Year Ended 31 December 2016

	2016	2015
	\$	\$
EXPENDITURE (continued)		
Licence Fees	10,934	10,628
Minor Expense - Bar/Kitchen/Replacements	21,782	22,613
Pest Control	2,860	2,147
Postage	10,021	12,571
Printing / Stationery	29,941	34,154
Professional Fees	17,124	8,720
Promotions	94,595	124,006
Rates	19,259	14,337
Member Costs	93,613	25,428
Motor Vehicle	14,665	12,443
One-off Expenses - VCGLR Application/Memorial Planning	122,947	-
Repairs & Maintenance	40,049	51,280
Sanitation	3,472	3,029
Security	70,593	80,048
Staff Amenities	54,214	43,417
Staff & Training Expenses	73,841	107,964
TAB	41,347	40,505
Telephone	17,514	13,698
Travel Expense	3,888	660
Uniform	4,705	2,629
Employee Benefits Expenses	2,843,269	2,529,889
Waste Collection	29,071	24,310
Welfare/Relief Costs	431,906	274,702
Tennis Section	2,328	3,318
Rent	780,000	780,000
Total expenditure	10,064,735	9,105,549
Surplus before income tax	331,954	438,399

Taxation

Business Services

Community Banking

Audit

Share Registry

Your partners
in success



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