

Dunoon & District Sports & Recreation Club Limited

ABN 36 003 159 779

Financial Statements

For the Year Ended 30 June 2017

Dunoon & District Sports & Recreation Club Limited

ABN 36 003 159 779

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Dunoon & District Sports & Recreation Club Limited

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DIRECTORS' REPORT

30 June 2017

The directors present their report on Dunoon & District Sports & Recreation Club Limited ("the Company") for the financial year ended 30 June 2017.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Andrew Bain	
Qualifications	Supervisor
Experience	Board member 15 years
Special responsibilities	President
Craig Gyles	
Qualifications	Carpenter
Experience	Board member 3 years
Special responsibilities	Vice President
Michael Berry	
Qualifications	Insurance Broker
Experience	Board member 2 years
Special responsibilities	Treasurer
Nancy Tarlinton	Resigned 24 October 2016
Qualifications	Administration
Experience	Board member 3 years
Special responsibilities	Secretary
Andrew Dixon	Resigned 24 October 2016
Qualifications	Teacher
Experience	Board member 2 years
Brian Tarlinton	Resigned 24 October 2016
Qualifications	General Manager
Experience	Board member 4 years
Graham Khan	
Qualifications	Agriculture Worker
Experience	Board member 2 years
Rachael Muller	Appointed 24 October 2016
Qualifications	Teacher
Experience	Board member 8 months
Special responsibilities	Secretary
Lynette Black	Appointed 24 October 2016
Qualifications	Schools Assistant
Experience	Board member 8 months

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DIRECTORS' REPORT

30 June 2017

Information on directors (continued)

Kelli Vering	Appointed 24 October 2016
Qualifications	Hardware Manager
Experience	Board member 8 months
Andy Reynolds	Appointed 13 December 2016; Resigned 6 March 2017
Qualifications	Farmer
Experience	Board member 3 months

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

Principal activities

The principal activities of Dunoon & District Sports & Recreation Club Limited during the financial year were the provision of sporting and social activities to members.

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

Objectives

The short and long term objectives of the Dunoon & District Sports & Recreation Club Limited are to ensure that the Company's financial position remains sound for both the short and long term, ensuring that members and patrons can enjoy their club for many years to come.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Carefully monitor income and expenditure to improve operating profit;
- Introduce new ideas that will attract more people to the club and improve income streams; and
- Promote the above objectives at every opportunity.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by providing the best facilities and by continually looking at ways to attract participants to both sporting and social activities. This has provided the Company with a source of income so the Company can continue to make improvements and remain viable into the future. The Company has to ensure that it continues to provide a quality venue for members and visitors to enjoy the facilities, both socially and through sport.

Members guarantee

Dunoon & District Sports & Recreation Club Limited is a company limited by guarantee. The number of members as at 30 June 2017 was 496 (2016: 572).

In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$5, subject to the provisions of the Company's constitution.

Dunoon & District Sports & Recreation Club Limited

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DIRECTORS' REPORT

30 June 2017

Members guarantee (continued)

At 30 June 2017 the collective liability of members was \$2,480 (2016: \$2,860).

Core/Non-core property

Directors advise that all land and buildings have been classified as core property, as defined by section 41J of the *Registered Clubs Act (1976)*.

Meetings of directors

During the financial year, 13 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Andrew Bain	13	13
Craig Gyles	13	5
Michael Berry	13	13
Nancy Tarlinton	5	2
Andrew Dixon	5	4
Brian Tarlinton	5	3
Graham Khan	13	4
Rachael Muller	8	5
Lynette Black	8	7
Kelli Vering	8	5
Andy Reynolds	3	3

Dunoon & District Sports & Recreation Club Limited

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DIRECTORS' REPORT

30 June 2017

Operating results

The financial operations of the Company during the year are summarised as follows:

	2017	2016
	\$	\$
Bar Trading		
Sales	307,493	309,516
Gross profit	152,517	153,668
Gross profit percentage	49.60 %	49.65 %
Restaurant Trading		
Gross profit	-	(2,353)
Gross profit percentage	N/A	N/A
Poker Machine		
Revenue	68,314	66,565
Other income	141,100	124,850
Total income	516,907	500,931
Total expenses	(510,491)	(582,792)
Result from continuing operations	6,416	(81,861)

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2017 has been received and can be found on page 5 of the financial report.

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

Director: 
Andrew Bain

Director: 
Michael Berry

Dated this 12th day of September 2017



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Dunoon & District Sports & Recreation Club Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

Dated at Lismore this 12th day of September 2017.

THOMAS NOBLE & RUSSELL CHARTERED ACCOUNTANTS



.....
G W DWYER (Partner)
Registered Company Auditor

Dunoon & District Sports & Recreation Club Limited

ABN 36 003 159 779

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2017

		2017	2016
	Note	\$	\$
Revenue	4	513,429	500,288
Other income	4	3,478	643
Employee benefits expense	5	(132,701)	(163,438)
Depreciation expense	5	(22,913)	(25,197)
Administration		(23,725)	(23,043)
Club promotions		(11,358)	(12,156)
Insurance		(13,727)	(21,201)
Repairs and maintenance		(7,669)	(8,035)
Members entertainment		(5,222)	(6,763)
Sub club expenses		(71,061)	(105,706)
Electricity		(14,581)	(13,708)
Raffle expenses		(7,744)	-
Other expenses		(44,814)	(45,344)
Cost of goods sold - Bar		(154,976)	(155,848)
Cost of goods sold - Kitchen		-	(2,353)
Profit/(loss) before income tax		6,416	(81,861)
Income tax expense	2(b)	-	-
Net profit/(loss) for the year		6,416	(81,861)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
Total comprehensive income for the year		6,416	(81,861)

The accompanying notes form part of these financial statements.

Dunoon & District Sports & Recreation Club Limited

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STATEMENT OF FINANCIAL POSITION

As At 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	96,936	106,018
Trade and other receivables	7	1,019	685
Inventories	8	14,375	13,701
Other assets	9	3,360	3,439
TOTAL CURRENT ASSETS		115,690	123,843
NON-CURRENT ASSETS			
Other financial assets	10	30	30
Property, plant and equipment	11	551,120	564,010
Intangible assets	12	90,000	90,000
TOTAL NON-CURRENT ASSETS		641,150	654,040
TOTAL ASSETS		756,840	777,883
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	22,868	28,513
Employee benefits	14	34,925	48,991
Other liabilities	15	2,375	5,400
TOTAL CURRENT LIABILITIES		60,168	82,904
NON-CURRENT LIABILITIES			
Employee benefits	14	-	4,723
TOTAL NON-CURRENT LIABILITIES		-	4,723
TOTAL LIABILITIES		60,168	87,627
NET ASSETS		696,672	690,256
EQUITY			
Retained earnings		696,672	690,256
TOTAL EQUITY		696,672	690,256

The accompanying notes form part of these financial statements.

Dunoon & District Sports & Recreation Club Limited

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STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2017

2017

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2016	690,256	690,256
Net profit/(loss) for the year	6,416	6,416
Balance at 30 June 2017	696,672	696,672

2016

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2015	772,117	772,117
Net profit/(loss) for the year	(81,861)	(81,861)
Balance at 30 June 2016	690,256	690,256

The accompanying notes form part of these financial statements.

Dunoon & District Sports & Recreation Club Limited

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STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Bar and restaurant sales	307,493	309,516
Poker machine revenue	62,104	60,476
GST collected/(paid) (net)	(2,406)	(9,995)
Subscriptions received	4,860	5,595
Interest received	148	533
Other receipts	135,465	126,996
Payments to suppliers and employees	(510,201)	(558,306)
Net cash provided by/(used in) operating activities	<u>(2,537)</u>	<u>(65,185)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	3,478	682
Payments for property, plant and equipment	(10,023)	(22,614)
Net cash provided by/(used in) investing activities	<u>(6,545)</u>	<u>(21,932)</u>
Net increase/(decrease) in cash and cash equivalents held	(9,082)	(87,117)
Cash and cash equivalents at beginning of year	106,018	193,135
Cash and cash equivalents at end of financial year	6(a) <u>96,936</u>	<u>106,018</u>

The accompanying notes form part of these financial statements.

Dunoon & District Sports & Recreation Club Limited

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

The financial report covers Dunoon & District Sports & Recreation Club Limited as an individual entity. Dunoon & District Sports & Recreation Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Dunoon & District Sports & Recreation Club Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Going concern

For the 2017 financial year, the Company earned an operating profit of \$6,416 (2016: loss of \$81,861), however, experienced net operating cash outflows of \$2,537 (2016: \$65,185). The Company continues to experience a tight cash flow position being a reflection of very tough operating conditions which have led to revenue declines. As at 30 June 2017, the Company's net current assets total \$55,522 (2016: \$40,939).

These conditions indicate that there is a material uncertainty as to the ability of the Company to continue to operate on a going concern basis, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Despite these conditions and uncertainty the financial report has been prepared on a going concern basis as the directors have adopted the following measures:

- Continue to operate the club bar with one person whenever it is practical to do so
- Maintain total employment costs at levels as close as possible to 2016/2017 outcomes subject to variations in sales turnover
- A further saving of \$2,000 on 2017/2018 insurance costs was achieved
- Agreement to maintain 2017 audit cost at 2016 level
- Weekly raffle income to remain in-house until such time as the club's financial position improves
- Revisit the sale of 3 poker machines that was approved by members at the 2016 AGM. This could generate additional capital of \$50,000 - \$55,000
- Dunoon United Football Club can be called upon to provide a modest cash injection to the Sports Club if it becomes necessary
- Continue to review all cost centres to identify additional savings wherever possible.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies (continued)

(b) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies (continued)

(e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Buildings	20 - 40 years
Plant and Equipment	5 years
Sub Club - Plant and Equipment	5 years
Furniture and Fittings	7 years
Motor Vehicles	5 years
Improvements	40 years
Poker Machines	3 years

Crockery, cutlery and glassware are recorded at cost and replacements are charged against the profit of that year.

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

(g) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is any evidence of impairment for its non-financial assets.

Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies (continued)

(g) Impairment of non-financial assets (continued)

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Company, if deprived of the asset, would replace its remaining future economic benefits, value in use shall be determined at the depreciated replacement cost of the asset.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(h) Poker machine entitlements

Poker machine entitlements were granted to the Company by the NSW government prior to 1 July 2004. Poker machine entitlements have been recognised in the statement of financial position at their fair value at 1 July 2004 which has been deemed to be their cost. Subsequent acquisitions of poker machine entitlements are recognised at cost.

Poker machine entitlements are assessed as being intangible assets with an indefinite useful life and have not been amortised. Poker machine entitlements continue to be carried at cost in the statement of financial position and are subject to an annual impairment test.

(i) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(j) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(k) Provisions

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies (continued)

(I) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies (continued)

(I) Financial instruments (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income, except when the fair value of the asset cannot currently be reliably measured.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Company's financial liabilities include trade and other payables, which are measured at amortised cost using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies (continued)

(l) Financial instruments (continued)

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(m) Trade and other payables

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

3 Critical Accounting Estimates and Judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

4 Revenue and Other Income

	2017	2016
	\$	\$
Operating Revenue		
Sale of Goods:		
- Bar sales	307,493	309,516
	<u>307,493</u>	<u>309,516</u>
Services:		
- Poker machine revenue	62,104	60,476
- Subscriptions	5,180	5,550
	<u>67,284</u>	<u>66,026</u>
Non-Operating Revenue		
- Interest received	148	533
- Poker machine GST subsidy	6,210	6,089
- Sub club revenue	90,969	81,315
- Raffle income	15,263	-
- Other revenue	26,062	36,809
	<u>138,652</u>	<u>124,746</u>
Total revenue	<u>513,429</u>	<u>500,288</u>
Other Income		
Net gain on disposal of non-current assets	3,478	643
Total other income	<u>3,478</u>	<u>643</u>
Total revenue and other income	<u>516,907</u>	<u>500,931</u>

5 Expenses

Employee benefits expense:		
Salaries, wages and training expenses	120,179	150,381
Superannuation contributions	12,522	13,057
Total employee benefits expense	<u>132,701</u>	<u>163,438</u>
Depreciation expense:		
Buildings	10,919	10,914
Plant and equipment	4,873	6,457
Furniture and fittings	3,817	3,929
Motor vehicles	-	1,589
Improvements	975	975
Poker Machines	1,286	874
Sub club - plant and equipment	1,043	459
Total depreciation expense	<u>22,913</u>	<u>25,197</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

6 Cash and cash equivalents

	2017	2016
Note	\$	\$
Cash on hand	26,580	24,277
Cash at bank:		
Trading account	6(b) (4,623)	(1,305)
Community garden	1,250	1,250
Gazette account	4,174	3,765
Men's shed	1,253	1,106
Soccer club	46,673	31,767
Tennis club	4,074	4,251
Interest bearing deposits - Licensed club	17,555	40,907
Total cash and cash equivalents	6(a) <u>96,936</u>	<u>106,018</u>

(a) Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	101,559	107,323
Bank overdrafts	(4,623)	(1,305)
Balance as per statement of cash flows	<u>96,936</u>	<u>106,018</u>

(b) Trading account

The Company holds a \$5,000 bank overdraft facility with the Westpac Bank Corporation.

7 Trade and other receivables

CURRENT		
Sundry debtors	1,019	685
Total current trade and other receivables	<u>1,019</u>	<u>685</u>

8 Inventories

CURRENT		
At cost:		
Bar stock	14,375	13,701
Total current inventories	<u>14,375</u>	<u>13,701</u>

9 Other assets

CURRENT		
Prepayments	3,360	3,439
Total current other assets	<u>3,360</u>	<u>3,439</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

10 Other financial assets

	2017	2016
	\$	\$
NON-CURRENT		
SCU shares	30	30
Total non-current other financial assets	30	30

11 Property, plant and equipment

Freehold land		
At cost	190,000	190,000
Total freehold land	190,000	190,000
Buildings		
At cost	408,157	408,157
Accumulated depreciation	(119,523)	(108,604)
Total buildings	288,634	299,553
Plant and equipment		
At cost	175,926	176,708
Accumulated depreciation	(164,097)	(165,406)
Total plant and equipment	11,829	11,302
Furniture and fittings		
At cost	126,387	126,387
Accumulated depreciation	(112,411)	(108,594)
Total furniture and fittings	13,976	17,793
Motor vehicles		
At cost	8,182	8,182
Accumulated depreciation	(8,182)	(8,182)
Total motor vehicles	-	-
Improvements		
At cost	39,000	39,000
Accumulated depreciation	(12,675)	(11,700)
Total improvements	26,325	27,300
Poker machines		
At cost	111,300	111,300
Accumulated depreciation	(104,460)	(103,174)
Total poker machines	6,840	8,126
Sub club - plant and equipment		
At cost	20,971	16,348
Accumulated depreciation	(7,455)	(6,412)
Total Sub club - plant and equipment	13,516	9,936
Total property, plant and equipment	551,120	564,010

Dunoon & District Sports & Recreation Club Limited

ABN 36 003 159 779

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

11 Property, plant and equipment (continued)

(a) Movements in Carrying Amounts

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

	Land	Buildings	Plant and Equipment	Furniture and Fittings	Motor Vehicles	Improvements	Poker Machines	Sub Club - Plant and Equipment	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2017									
Balance at the beginning of year	190,000	299,553	11,302	17,793	-	27,300	8,126	9,936	564,010
Additions	-	-	5,400	-	-	-	-	4,623	10,023
Disposals - written down value	-	-	-	-	-	-	-	-	-
Depreciation expense	-	(10,919)	(4,873)	(3,817)	-	(975)	(1,286)	(1,043)	(22,913)
Balance at the end of the year	190,000	288,634	11,829	13,976	-	26,325	6,840	13,516	551,120

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

12 Intangible assets

	2017	2016
	\$	\$
Poker machine entitlements (At cost)	90,000	90,000
Total Intangibles	90,000	90,000

13 Trade and other payables

CURRENT

Trade payables and accrued expenses	22,017	25,256
Net GST payable	851	3,257
Total current trade and other payables	22,868	28,513

14 Employee benefits

CURRENT

Long service leave	21,535	26,102
Annual leave	13,390	22,889
Total current employee benefits	34,925	48,991

NON-CURRENT

Long service leave	-	4,723
Total non-current employee benefits	-	4,723

The current long service leave provision relates to employees that have accumulated 10 years of service and therefore have an unconditional right to take long service leave. The amount of long service leave expected to be taken by employees during the next financial year is \$NIL (2016: \$15,591).

15 Other liabilities

CURRENT

Income received in advance	2,375	5,400
Total current other liabilities	2,375	5,400

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

16 Financial Risk Management

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

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

	Note	2017 \$	2016 \$
Financial Assets			
Cash and cash equivalents	6	96,936	106,018
Loans and receivables	7	1,019	685
Total financial assets		97,955	106,703
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	13	22,868	28,513
Total financial liabilities		22,868	28,513

17 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstandings and obligations of the Company. At 30 June 2017 the number of members was 496 (2016: 572).

18 Key Management Personnel Disclosures

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

The total remuneration paid to key management personnel of the Company is \$38,142 (2016: \$62,214).

19 Contingencies and Commitments

In the opinion of the Directors, the Company did not have any contingencies or commitments at 30 June 2017 (30 June 2016: None).

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

20 Related Parties

The Directors named in the attached Director's Report each held office as a director of the Company during the year ended 30 June 2017.

Transactions with related parties

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

The following transactions occurred with related parties:

- The Company engages Dudgeon & Berry Insurance consultants as insurance brokers. This is a related entity to director Michael Berry.
- The Company has received loans from two directors which are included as part of trade payables and accrued expenses shown in Note 13. They are as follows:
 - \$3,000 on call interest free loan received from Director Michael Berry (2016: \$NIL)
 - \$400 on call interest free loan received from Director Andrew Bain (2016: \$NIL).

For details of remuneration disclosures relating to key management personnel, refer to Note 18: Key Management Personnel (KMP) Disclosures.

21 Events Occurring After the Reporting Date

The financial report was authorised for issue on 12 September 2017 by the Board of Directors.

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.

22 Company Details

The registered office of and principal place of business of the Company is:

Dunoon & District Sports & Recreation Club Limited
Cowley Road
Dunoon NSW 2480

Dunoon & District Sports & Recreation Club Limited


ABN 36 003 159 779

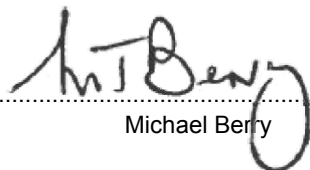
DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 23, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: 
Andrew Bain

Director: 
Michael Berry

Dated this 12th day of September 2017

Independent Auditor's Review Report
To the members of Dunoon & District Sports & Recreation Club Limited

Report on the Financial Report

We have reviewed the accompanying financial report of Dunoon & District Sports & Recreation Club Limited (the "company"), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 – Reduced Disclosure Requirements and the *Corporations Act 2001*. The directors' responsibility also include such internal control as directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2415 *Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report does not satisfy the requirements of the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 30 June 2017 and its performance for the year ended on that date; and complying with the Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulation 2001*. ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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 the company, would be in the same terms if given to the directors as at the time of this auditor's review report.



Conclusion

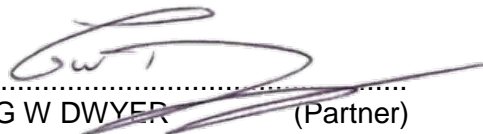
Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the financial report of Dunoon & District Sports & Recreation Club Limited does not satisfy the requirements of the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2017 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 2(a) in the financial report which indicates that the company has earned an operating profit of \$6,416 for the year ended 30 June 2017 (2016: loss of \$81,861), however, experienced net operating cash outflows of \$2,537. Further, as at 30 June 2017, net current assets total only \$55,522. These conditions, along with other matters as set forth in Note 2(a), indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business

THOMAS NOBLE & RUSSELL CHARTERED ACCOUNTANTS


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G W DWYER (Partner)

Dated at Lismore this 12th day of September 2017