

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED**

**ABN 56 000 144 963**

**AND CONTROLLED ENTITY**

**FINANCIAL REPORT**

**YEAR ENDED 30 JUNE 2016**

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**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED**  
**ABN 56 000 144 963**  
**AND CONTROLLED ENTITY**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2016**

Your directors present their report on the company and its controlled entity for the financial year ended 30 June 2016.

The names of directors in office at any time during or since the end of the year are:

James Battese	Bruce Knight
John Z Black	Vickie McAlister
Peter Comerford	Francis J McKey
Neil A Crouch	Trevor R Shephard
Anthony H Cuskelly (Deceased 24th May 2016)	

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 the consolidated entity during the financial year were:

- the operation of a licensed club and;
- landlords of a shopping centre.

The consolidated entity's short term and long term objectives are:

- To provide social, recreation and sporting facilities for its members.

To achieve these objectives the consolidated entity has adopted the following strategies:

- For the licensed club to provide excellent facilities and service to its members and that the Club achieve a level of profitability that provides financial stability to the consolidated entity.
- For the presentation and appearance of the Shopping Centre be maintained at its high level ensuring occupancy by tenants and patronage by shoppers.
- For the club staff to be trained and skilled to a level of service that members expect.

The consolidated entity's performance is measured principally in its monetary profitability, other measures adopted are members and tenants satisfaction levels.

### **Information on Directors**

<b>Director</b>	<b>Qualifications &amp; Experience</b>	<b>Special Responsibility</b>
James A Battese	Purchasing Officer	Director
John Z Black	Pharmacist	Director & Treasurer
Peter A Comerford	Solicitor	Director & President
Neil Crouch	Retired	Director & Vice President
Anthony H Cuskelly (Deceased)	Manager	Director
Bruce Knight	Retired	Director
Vickie McAlister	Motel Proprietor	Director
Francis J McKey	Monumental Mason	Director & Vice President
Trevor R Shephard	Retired School Principal	Director

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**Meeting of Directors**

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

**Directors Meetings**

	Monthly Board Meetings		Special Board and Committee Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended
James A Battese	12	12	5	5
John Z Black	12	9	5	4
Peter A Comerford	12	12	6	6
Neil A Crouch	12	12	6	6
Anthony H Cuskelly	10	8	5	3
Bruce Knight	12	12	6	6
Vickie McAlister	12	12	5	5
Francis J McKey	12	12	6	6
Trevor R Shephard	12	12	6	6

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 \$2 each towards meeting any outstanding obligations of the company. At 30 June 2016, the total amount that members of the company are liable to contribute if the company is wound up is \$10,050. (2015: \$9,728).

**Operating Results**

The operating profit for the club for the financial year amounted to \$1,070,230 (2015: \$342,931).

**Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2016 has been received and is enclosed with the financial report.

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

\_\_\_\_\_  
P Comerford  
Director

Dated this day 4th of October 2016.



## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial statements of Casino Returned Servicemen's Memorial Club Ltd and controlled entity for the year ended 30 June 2016 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 this audit; and
- (b) any applicable code of professional conduct in relation to the audit.

This declaration is in relation to the Casino Returned Servicemen's Memorial Club Limited and the entities it controlled during the period.

Dated at Lismore this 4th Day of October 2016.

**THOMAS NOBLE & RUSSELL**

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A J BRADFIELD (Partner)  
Registered Company Auditor

## PRESIDENTS REPORT

It is a pleasure to present this report as President of Casino RSM Club Limited.

The trading performance for the 2016 Financial Year was an after tax profit of \$1,070,230 in comparison to \$324,931 for the previous financial year.

The underlying improved trading profit can be contributed too:

- Increase in bar sales by \$138,645 or 9.8% with a GP of 57.6%
- Poker machine revenue up by \$464,494 or 10.4%, net gaming profit increased by \$222,997
- Catering sales increased by \$172,291, the GP increased to 60.3% and overall bottom line increased by \$24,181 with catering producing a surplus of \$93,322 up on last year's surplus of \$69,141. This is an improvement of \$238,584 over the past four years and is a credit to Executive Chef Vanessa and her dedicated team.

Whilst continuing to improve on trade this year the Board committed to maintaining the Club's facilities and ensuring we continue to have a 1<sup>st</sup> class entertainment venue. In the past year the Club has spent close to \$1million on new plant and equipment, whilst also spending over \$500,000 on repairs and maintenance. A lot of this capital investment has occurred "back of house" and is necessary in maintaining and improving the services we provide. Some of these investments include:

- New computer server
- 100kW Solar Power Plant
- New oven for the kitchen
- Replacement sound system
- New air conditioning plant for the gaming room
- Poker machine upgrades

To the executive and committee members of the subsidiary clubs, thank you for your dedication in the time and effort you have given to ensure the continual operation of these clubs.

The success of the Club is a reflection of sound business management and I would like to thank the Board of Directors and the Management team for your efforts during the course of the year. One key element to the success and strength of a business is the staff and with the continued improved trading of the Club's activities, it supports that the staffs valued contributions are making a positive impact on the Club's success.

To my fellow directors, thank you for your support and the professional manner in the way you fulfilled your duties. Being a club director is often an onerous task and hard decision must be made in the best interest of the business. We would always welcome members whom wish to be involved and it is encouraging to see new people stand for the Board at this year's elections.

I would like to acknowledge and thank Paul and Damian Mulherin and the firm of Mulherin Schier for their accounting services to the Club over the past four decades. Following a tender process the Club has chosen to move to TNR and we welcome them on board as our new accountants.

To those who have lost loved ones in the past year I offer my sincere condolences. This year we also lost our good friend, colleague and director, Tony (Bub) Cuskelly. Bub will be sorely missed from the Board Room where he has served for the past 8 years. To Bub's friends and family my deepest sympathies.

Peter Comerford  
President

## SECRETARY MANAGER'S REPORT

Dear Members

It is with great pleasure that I present my report of the 2015/16 Financial Year.

Financially this year the Club has produced its best results in over a decade and has continued to improve upon its growth over the past few years.

Overall the Casino RSM Club Ltd produced a surplus of approximately \$780,000 while the subsidiary company RSM Properties Pty Ltd has also continued to trade well, with strong tendencies, resulting in a combined pre-tax surplus of \$1,054,402.

Points to note in these results include:

- One off income of \$75,000 in relation to the sale of Small-scale Technology Certificates in relation to the install of the solar power system at the Club.
- \$30,000 in insurance income in relation to a water leak.
- \$64,000 abnormal expense being a bad debt due to Wayne's World being placed into liquidation and declared insolvent.

Overall the Club trade, being our core business activities, has shown considerable increases in all its key operational areas:

- Bar Sales have increased by \$138,645 or 9.8%
- Catering Sales have increased by \$172,291 or 12.6%
- Poker machine receipts have increased by \$464,4493 or 10.5%

While continuing to improve on our trading activities the Club has also aimed to reduce its costs and reduce its impact on the environment. This year the Club installed a 100kW Solar Power Plant and that combined with investments in new hardware and other factors has seen the Club reduce its power bills by over \$70,000 in the past three years, and more importantly has significantly reduced the Club's green house gas emissions. We have also continued to reduce the Club's debt and paid off close to \$800,000 in borrowings in the past year, thus reducing our interest liabilities.

Your Club has also continued its commitment to its members and Our Community. In the past year we:

- Provided over \$550,000 in promotions, entertainment and members benefits
- Provided over \$300,000 in donations and sponsorship to local organisations, plus more undisclosed in-kind support
- Injected more than \$2,000,000 in wages into the local economy
- Paid \$876,899 in gaming tax to the NSW Government

We have also continued our commitment to our employees and continue to supply training, education and career advancement opportunities were available. I firmly believe our investment in our employees is helping to pay dividends and benefit the Club and the local community.

All up it is fair to say that we have one of the best performing and most financial secure Registered Clubs in the Northern Rivers. This is highlighted by the Club being awarded the Excellence in Business Award at the Northern Rivers Business Awards, taking us onto the State Finals in November, whilst also being named the Richmond Valley Hospitality Business of the Year for the past two years.

This is a testament to all the members and all the people involved in this great community organisation and to the people of Casino and the Richmond Valley generally. As an organisation we are blessed to have so many great people involved, who help make Casino RSM Club what it is.

To our dedicated volunteers in our sub clubs and sporting organisations I thank you for your tireless efforts. Without you our social and sporting activities would not exist. To the Board I thank you for your confidence

and trust. This year has been very rewarding professionally and I believe it is a manifestation of measures taken over the past few years to get the organisation to where it is. Over the past few years the Board has invested considerable time and resources into reviewing our operations and planning for the future and I am confident the decisions made will help further secure the Club's long term future.

To our staff and management team, I thank you for your ongoing support and efforts, not just this year but always. There would be few organisations which could cope with a 10% growth in one year without showing some form of stress or fractioning, but our staff continue to take on all that is thrown at them with a smile on their faces. The growth the Club has achieved, the recognition in being awarded the Northern Rivers Excellence in Business Award, and the many compliments I receive from members and guests is acknowledgement to the great work you do.

I would like to acknowledge to services of Mulherin Scheir whom have provided accounting services to the Club over 40 plus year period. This year the Club undertook a competitive tender process and following review the Club is moving its accounting services to another firm. To Paul, Damian and your team thank you for the efforts, guidance, services and advice you have provided to the Club for more than half of its existence.

I would remind all our members that your Club and our whole industry always appears to be under attack from regulation and legislation, often forced on us by politicians whom take a nanny state attitude and treat the population as not being able to look after themselves. With the fragile Federal political environment we are hearing more noise out of city centric politicians, located thousands of kilometres away from Casino whom have little understanding of our industry and would fail to understand what the Casino RSM Club does for its community. Yet they feel the need to prescribe what is best for Casino and our Club members. We must always be vigilante of potential changes to legislation and the effects it could have no only on our Club but also flow through effects to our local community.

It was with great sadness this year that we lost one of our Directors being Bub Cuskelly. Bub had served as a Director since 2008 and was always good value as a sounding board and a friend. As a committed club man Bub, was had been involved in lawn bowls and with the Cougars RLFC for many years. Never shy in telling you what he thought, even if it was different from others point of own view, Bub always had the Club and members at heart. It does feel strange not to receive a weekly phone call to ask... What's Happening?

To all our members I wish you all the best for Christmas and the New Year, and hope to see you at the Club again soon.



Neale Genge  
Secretary Manager

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED**  
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**AND CONTROLLED ENTITY**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	<b>Consolidated Group</b>	
		<b>2016</b>	<b>2015</b>
		\$	\$
Revenue	2	9,462,029	8,574,379
Cost of Goods Sold		(1,269,387)	(1,168,314)
Employee Benefits Expense		(2,101,813)	(2,080,187)
Depreciation and Amortisation Expense		(1,040,704)	(1,044,974)
Gaming Expenses		(1,229,753)	(1,027,058)
Other Expenses		(2,698,577)	(2,706,673)
Finance Costs		(67,393)	(134,434)
Profit Before Income Tax		<u>1,054,402</u>	<u>412,739</u>
Income Tax Expense	3	15,828	(87,808)
Profit Attributable to Members of the Company		<u>1,070,230</u>	<u>324,931</u>
Other Comprehensive Income		-	-
Total Comprehensive Income		<u><u>1,070,230</u></u>	<u><u>324,931</u></u>

*This Statement of Comprehensive Income should be read in conjunction with the accompanying notes*



**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED**  
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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2016**

	Notes	<b>Consolidated Group</b>	
		<b>2016</b>	<b>2015</b>
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	1,008,658	375,605
Trade and Other Receivables	5	95,553	148,912
Inventories	6	125,114	92,130
Other Assets	7	185,839	196,854
		<u>1,415,164</u>	<u>813,501</u>
<b>TOTAL CURRENT ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	8	15,110,167	15,195,323
Intangible Assets	9	1,080,915	1,080,915
Deferred Tax Assets	10	92,690	16,549
		<u>16,283,772</u>	<u>16,292,787</u>
<b>TOTAL NON-CURRENT ASSETS</b>			
		<u>17,698,936</u>	<u>17,106,288</u>
<b>TOTAL ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	12	674,634	459,001
Borrowings	13	974,337	514,542
Current Tax Liabilities	14	74,466	16,230
Provisions	15	300,000	281,224
Other Liabilities	16	139,794	57,410
		<u>2,163,231</u>	<u>1,328,407</u>
<b>TOTAL CURRENT LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13	841,362	2,097,120
Deferred Tax Liabilities	14	2,656	69,235
Provisions	15	20,605	10,674
		<u>864,623</u>	<u>2,177,029</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>			
		<u>3,027,854</u>	<u>3,505,436</u>
<b>TOTAL LIABILITIES</b>			
		<u>14,671,082</u>	<u>13,600,852</u>
<b>NET ASSETS</b>			
<b>EQUITY</b>			
Retained Earnings		<u>14,671,082</u>	<u>13,600,852</u>
<b>TOTAL EQUITY</b>			
		<u>14,671,082</u>	<u>13,600,852</u>

*This Statement of Financial Position should be read in conjunction with the accompanying notes*

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED**  
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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	<b>Consolidated Group Retained Earnings \$</b>
<b>Balance at 30 June 2014</b>	13,275,921
Profit for the year	<u>324,931</u>
<b>Balance at 30 June 2015</b>	13,600,852
Profit for the year	<u>1,070,230</u>
<b>Balance at 30 June 2016</b>	<u><u>14,671,082</u></u>

*This Statement of Changes in Equity should be read in conjunction with the accompanying notes*

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED**  
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**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	<b>Consolidated Group</b>	
		<b>2016</b>	<b>2015</b>
		\$	\$
<b>Cash Flows From Operating Activities</b>			
Receipts From Customers		10,369,259	9,489,359
Payments to Suppliers and Employees		(8,353,340)	(7,979,088)
Interest Paid		(67,393)	(134,434)
Income Tax (Paid)/Refunded		(16,230)	(94,285)
<b>Net Cash Provided by Operating Activities</b>		<u>1,932,296</u>	<u>1,281,552</u>
<b>Cash Flows From Investing Activities</b>			
Payment for Property, Plant & Equipment		(977,546)	(1,258,925)
Proceeds from Sales of Plant & Equipment		57,427	6,363
<b>Net Cash (Used in) Investing Activities</b>		<u>(920,119)</u>	<u>(1,252,562)</u>
<b>Cash Flows From Financing Activities</b>			
Borrowings in Year		82,335	-
Repayment of Borrowings		(878,298)	(681,827)
<b>Net Cash Provided By / (Used in) Financing Activities</b>		<u>(795,963)</u>	<u>(681,827)</u>
Net Increase / (Decrease) in Cash Held		216,214	(652,837)
Cash and Cash Equivalents at the Beginning of the Financial Year		<u>252,442</u>	<u>905,279</u>
<b>Cash and Cash Equivalents at the End of the Financial Year</b>	4(a)	<u><u>468,656</u></u>	<u><u>252,442</u></u>

*This Statement of Cashflows should be read in conjunction with the accompanying notes*

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

These financial statements include the consolidated financial statements and notes of Casino Returned Servicemen's Memorial Club Limited and RSM Properties Pty Ltd. Casino Returned Servicemen's Memorial Club Limited is a company limited by guarantee which is incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 4th October 2016.

**Basis of Preparation**

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 the *Corporations Act 2001*.

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 these financial statements are presented below and have been consistently applied unless otherwise stated.

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.

**Significant Accounting Policies**

**a) Principles of Consolidation**

A controlled entity is any entity over which the Casino Returned Servicemen's Memorial Club Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

Details of the controlled entity is contained in Note 11 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered the consolidated group during the year, their operating results have been included from the date control was obtained.

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

**b) Income Tax**

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

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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**b) Income Tax (Cont'd)**

Current income tax expense charged to the income statement is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

Income tax payable is calculated using the Waratah formula which determines the taxable income for mutual entities.

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 is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, 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, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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.

**c) Inventories**

Inventories comprise finished goods purchased for resale and promotions and are measured at the lower of cost and net realisable value. Costs are assigned on a first in first out basis.

**d) Property, Plant and Equipment**

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

*Property*

Freehold land and buildings are shown at their cost less subsequent depreciation of buildings.

*Plant and Equipment*

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**d) Property, Plant and Equipment (Cont'd)**

The carrying amount of property, 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 asset's 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 economic entity includes the cost of materials, direct labour, borrowing costs and an appropriated 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 group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

*Depreciation*

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 their useful lives to, the economic 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:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2.5 to 8%
Plant and equipment	5 to 20%
Leased plant and equipment	12.5 to 30%

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

An asset's carrying amount is written down immediately to its recoverable amount if the assets 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 included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**e) Leases**

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

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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**e) Leases (Cont'd)**

Finance leases are capitalised by recording 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 charged 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 life of the lease term.

**f) Financial Instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity become a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. 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 either fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principle repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (d) less any reduction for impairment.

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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**f) Financial Instruments (Cont'd)**

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.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held to maturity assets.

The Company does not designate any interest 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 either 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 being included in profit or loss.

*(ii) Loan 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.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

*(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.

Held to maturity investments are included in non current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Company sold or reclassified more than an insignificant amount of the held to maturity investments before maturity, the entire held to maturity investments category would be tainted and reclassified as available for sale.

*(iv) Available for sale financial assets*

Available for sale financial assets are non derivative financial assets that are either not suitable to be 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.



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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**f) Financial Instruments (Cont'd)**

Available for sale financial assets are included in non current assets, except for those which are expected to be sold within 12 months after the end of the reporting period.

*(v) Financial Liabilities*

Non derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

*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 allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

*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.

**g) Intangible Assets**

Poker machine entitlements were granted to the company by the NSW government prior 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 a definite 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.

**h) Employee Benefits**

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

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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**h) Employee Benefits (Cont'd)**

Employee benefits expected to be settled more than twelve months 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 national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

**i) Provisions**

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

**j) Cash and Cash Equivalents**

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

**k) Revenue**

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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).

**l) Trade and Other Receivables**

Trade receivables are recognised at their cost less impairment losses and a sale is recorded when goods have been dispatched to a customer pursuant to a sales order and the associated risks have passed to the carrier or customer. All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income within 'other expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other expense in the statement of comprehensive income.

**m) Trade and Other Payables**

Trade and other payables represent goods and services provided to the company prior to the end of the reporting period. The accounts are usually settled on the supplier's trading terms. Payables to related parties are carried at cost.

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED**  
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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**n) Finance Costs**

Finance costs are recognised as an expense in the statement of comprehensive income in the period in which they are incurred.

**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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable, or payable to, the ATO is included as a current asset or liability in the statement of financial position. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**p) Comparative Figures**

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

**q) Critical Accounting Estimates and Judgements**

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

*Key Estimates - Impairment*

The group assesses impairment at the end of each reporting period by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessment of recoverable amounts incorporate a number of key estimates.

**r) Fair value Measurement**

The Company may be required to measure 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 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.

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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**r) Fair value Measurement (Cont'd)**

To the extent possible, market information is extracted from the principle market for the asset or liability (i.e. market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at reporting date (i.e. the market that maximises the receipts from the sale of the asset or minimises the payment 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 sell it to another market participant that would use the assets in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such a financial instrument, 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, detailed in the respective note to the financial statements.

**s) Adoption of New and Revised Accounting Standards**

Applicable Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ended 30 June 2016. The directors have not yet assessed the impact of any changes.

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED**  
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	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	\$	\$
<b>NOTE 2 - REVENUE</b>		
<b>Revenue From Continuing Operations</b>		
Operating Activities		
Sale of Goods	3,092,328	2,781,392
Rental Income	1,120,028	1,045,027
Gaming	5,061,549	4,595,810
Subscriptions	54,093	71,972
Other	134,031	80,178
	<u>9,462,029</u>	<u>8,574,379</u>
<b>NOTE 3 - INCOME TAX EXPENSE</b>		
The prima facie tax on profit from continuing operations is reconciled to the income tax expense as follows:		
Prima facie tax payable on profit from continuing operations before income tax	316,321	123,821
Tax effect of non-deductible and non-assessable items	<u>(332,149)</u>	<u>(36,013)</u>
Income tax attributable to profit from continuing operations	<u>(15,828)</u>	<u>87,808</u>
The income tax expense comprises amounts set aside to:		
Provision for Income Tax	126,892	16,230
Deferred Tax Assets/(Liabilities)	<u>(142,720)</u>	<u>71,578</u>
	<u>(15,828)</u>	<u>87,808</u>
Applicable Weighted Average Effective Tax Rate	12.64%	21.27%
<b>NOTE 4 - CASH AND CASH EQUIVALENTS</b>		
Cash at Bank and On Hand	<u>1,008,658</u>	<u>375,605</u>
a. Reconciliation of Cash		
Cash at Bank	1,008,658	375,605
Bank Overdraft	<u>(540,002)</u>	<u>(123,163)</u>
Cash and Cash equivalents - per the statement of Cash Flows	<u>468,656</u>	<u>252,442</u>

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED**  
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	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	\$	\$
<b>NOTE 5 - TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Trade Receivables	73,280	126,639
Less Provision for Impairment	-	-
	<u>73,280</u>	<u>126,639</u>
 Sundry Receivables	 <u>22,273</u>	 <u>22,273</u>
	<u><u>95,553</u></u>	<u><u>148,912</u></u>

**NOTE 6 - INVENTORIES**

<b>Current</b>		
At Cost		
Finished Goods held for resale	<u>125,114</u>	<u>92,130</u>

**NOTE 7 - OTHER ASSETS**

<b>Current</b>		
Prepaid Expenditure	147,579	161,491
Deposits	<u>38,260</u>	<u>35,363</u>
	<u><u>185,839</u></u>	<u><u>196,854</u></u>

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED**  
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	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	\$	\$
<b>NOTE 8 - PROPERTY, PLANT &amp; EQUIPMENT</b>		
<i>Land</i>		
Freehold Land - at cost	<u>2,373,724</u>	<u>2,373,724</u>
<i>Buildings</i>		
Buildings - at cost	15,670,012	15,615,113
Less Accumulated Depreciation	<u>(6,069,767)</u>	<u>(5,573,589)</u>
	<u>9,600,245</u>	<u>10,041,524</u>
<i>Plant and Equipment</i>		
Plant and Equipment - at cost	8,840,772	8,253,875
Less Accumulated Depreciation	<u>(5,704,574)</u>	<u>(5,473,800)</u>
	<u>3,136,198</u>	<u>2,780,075</u>
 Total Property, Plant and Equipment	 <u><u>15,110,167</u></u>	 <u><u>15,195,323</u></u>

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED**  
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**NOTE 8 - PROPERTY, PLANT & EQUIPMENT (CONT'D)**

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.

**2016**

	<b>Land</b> \$	<b>Buildings and work in progress</b> \$	<b>Plant &amp; Equipment</b> \$	<b>Plant &amp; Equipment</b> \$
Balance at the beginning of the year	2,373,724	10,041,524	2,780,075	15,195,323
Additions	-	54,899	922,646	977,545
Disposals	-	-	(21,997)	(21,997)
Depreciation expense and write-downs	-	(496,178)	(544,526)	(1,040,704)
Carrying amount at the end of the year	<u>2,373,724</u>	<u>9,600,245</u>	<u>3,136,198</u>	<u>15,110,167</u>

**2015**

	<b>Land</b> \$	<b>Buildings and work in progress</b> \$	<b>Plant &amp; Equipment</b> \$	<b>Plant &amp; Equipment</b> \$
Balance at the beginning of the year	2,373,724	10,266,521	2,400,268	15,040,513
Additions	-	322,409	883,738	1,206,147
Disposals	-	-	(6,363)	(6,363)
Depreciation expense and write-downs	-	(547,406)	(497,568)	(1,044,974)
Carrying amount at the end of the year	<u>2,373,724</u>	<u>10,041,524</u>	<u>2,780,075</u>	<u>15,195,323</u>

<b>Consolidated Group</b>	
<b>2016</b>	<b>2015</b>
\$	\$

**NOTE 9 - INTANGIBLE ASSETS**

Poker Machine Entitlements - at cost	1,080,000	1,080,000
Formation Expenses - at cost	915	915
	<u>1,080,915</u>	<u>1,080,915</u>



**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED**  
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	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	\$	\$
<b>NOTE 10 - DEFERRED TAX ASSETS</b>		
Deferred Tax Assets	<u>92,690</u>	<u>16,549</u>
The deferred tax assets comprise:		
Provisions	16,351	14,887
Property Plant & Equipment	74,549	-
Unearned revenue and accrued expenses	<u>1,790</u>	<u>1,662</u>
	<u>92,690</u>	<u>16,549</u>
Deferred tax assets not recognised, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(b) occur:		
Capital losses	<u>46,769</u>	<u>46,769</u>

**NOTE 11 - CONTROLLED ENTITY**

**Controlled Entity Consolidated**

Subsidiaries of Casino Returned Servicemen's Memorial Club Ltd:

- RSM Properties Pty Ltd

Country of Incorporation: Australia

Date of Incorporation: 31 May 2002

Percentage owned: 100%

**NOTE 12 - TRADE AND OTHER PAYABLES**

**Current**

Trade & Other Payables	<u>674,634</u>	<u>459,001</u>
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**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED**  
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	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 13 - BORROWINGS</b>		
<b>Current</b>		
Bank Overdraft Secured	540,002	123,163
Bank Bill Secured	352,000	374,256
Bank Loan Secured	-	-
Chattel Finance	82,335	17,123
	<u>974,337</u>	<u>514,542</u>
<b>Non-Current</b>		
Bank Bill Secured	836,362	1,166,106
Bank Loan Secured	5,000	925,000
Chattel Finance	-	6,014
	<u>841,362</u>	<u>2,097,120</u>
<b>Security</b>		
a)	The bank overdraft, loan and bills are secured by a registered first mortgage over the freehold properties of RSM Properties Pty Ltd and a floating charge over the assets and undertaking of Casino Returned Servicemen's Club Ltd and RSM Properties Pty Ltd. The carrying amount of assets pledged as security is represented by total assets for the economic entity on the Statement of Financial Position.	
b)	The bank bill and loan facility expires on 24 August 2018.	
<b>NOTE 14 - TAX LIABILITIES</b>		
<b>Current</b>		
Income Tax Payable	<u>74,466</u>	<u>16,230</u>
<b>Non-Current</b>		
Deferred Tax Liabilities	<u>2,656</u>	<u>69,235</u>
The deferred tax liability comprise:		
Property, Plant & Equipment	-	66,863
Prepayments	<u>2,656</u>	<u>2,372</u>
	<u>2,656</u>	<u>69,235</u>

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED**  
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	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	\$	\$
<b>NOTE 15 - PROVISIONS</b>		
<b>Current</b>		
Employee Benefits - Long Service Leave	119,003	143,728
- Annual Leave	180,997	137,496
	<u>300,000</u>	<u>281,224</u>
<b>Non-Current</b>		
Employee Benefits - Long Service Leave	<u>20,605</u>	<u>10,674</u>
<b>Rollforward of Provisions</b>		
Opening balance	291,898	275,296
Provisions raised during the year	159,552	122,247
Amounts paid	<u>(130,845)</u>	<u>(105,645)</u>
Closing balance	<u>320,605</u>	<u>291,898</u>
<b>NOTE 16 - OTHER LIABILITIES</b>		
<b>Current</b>		
Rent Bond	2,203	2,203
Revenue Received in Advance	<u>137,591</u>	<u>55,207</u>
	<u>139,794</u>	<u>57,410</u>

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED**  
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**NOTE 17 - RELATED PARTY INFORMATION**

- a) Director Peter Comerford is a partner in the business Parker & Kissane which was paid \$1,753 in the year for legal work.
- b) Director John Black is the proprietor of the business McDonalds Pharmacy which was paid \$130 in the year for chemist supplies.
- c) Director Vickie McAlister is a partner of the business Milgate Motel which was paid \$395 in the year for accomodation.

	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	\$	\$
d) <b>Key Management Personnel Compensation</b>	<u>496,730</u>	<u>384,071</u>

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the consolidated group, directly or indirectly, including any director is considered key management personnel. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons.

e) **Other Related Party Transactions**

Other related parties include close family members of key management personnell who are employees of the club.

Transactions with other related parties are on normal commercial terms and conditions no more favourable than those available to others, The total of those transactions for the year was \$173,702 (2015 \$148,999)

**NOTE 18 - MEMBERS GUARANTEE**

Casino Returned Servicemen's Memorial Club Ltd 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 two dollars (\$2) towards meeting outstanding obligations of the company. At 30 June 2016 there were members 5,025 (2015: 4,864).

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED**  
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**FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 19 - COMPANY DETAILS**

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

162 Canterbury Street  
CASINO NSW 2470

**NOTE 20 - PARENT INFORMATION**

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

	<b>2016</b>	<b>2015</b>
	\$	\$
<b>BALANCE SHEET</b>		
<b>ASSETS</b>		
Current Assets	1,317,510	670,710
Non Current Assets	<u>13,525,991</u>	<u>13,095,475</u>
<b>TOTAL ASSETS</b>	<u>14,843,501</u>	<u>13,766,185</u>
<b>LIABILITIES</b>		
Current Liabilities	1,190,343	842,848
Non Current Liabilities	<u>20,605</u>	<u>16,687</u>
<b>TOTAL LIABILITIES</b>	<u>1,210,948</u>	<u>859,535</u>
<b>EQUITY</b>		
Retained Earnings	<u>13,632,553</u>	<u>12,906,650</u>
<b>TOTAL EQUITY</b>	<u>13,632,553</u>	<u>12,906,650</u>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
Total Profit	<u>781,554</u>	<u>335,933</u>
Total Comprehensive Income	<u>781,554</u>	<u>335,933</u>

**Guarantees**

Casino Returned Servicemen's Memorial Club Ltd has guaranteed the borrowings of RSM Properties Pty Ltd. Further particulars are provided at Note 13.

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 21 - COMMITMENTS**

**Contingent Liabilities**

As at 30 June 2016 Casino Returned Servicemen's Memorial Club Limited did not have any contingent liabilities (2015: nil).

**Contractual Commitments**

As at 30 June 2016 Casino Returned Servicemen's Memorial Club Ltd has entered into contractual commitments for:

Plant & Equipment Purchases	-	-
Land & Buildings	-	43,772
Payable:	<u>                    </u>	<u>                    </u>
- not later than 12 months		43,772

**NOTE 22 - FINANCIAL RISK MANAGEMENT**

The group's financial instruments consist mainly of deposits with banks, receivables, trade and other payables and borrowings.

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:

	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	\$	\$
<b><i>Financial Assets</i></b>		
Cash and cash equivalents	1,008,658	375,605
Trade and other receivables	95,553	148,912
	<u>1,104,211</u>	<u>524,517</u>
<b><i>Financial Liabilities</i></b>		
Financial Liabilities at Amortised Cost		
- Trade and other payables	674,634	459,001
- Borrowings	1,815,699	2,611,662
	<u>2,490,333</u>	<u>3,070,663</u>

As at 30 June 2016 an amount of \$1,692,998 monies was available to the group as an unused finance facility should they require.

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED**  
**A.B.N. 56 000 144 963**  
**AND CONTROLLED ENTITY**  
**DIRECTORS' DECLARATION**  
**FOR THE YEAR ENDED 30 JUNE 2016**

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 8 to 30 are in accordance with the *Corporations Act 2001*:
  - 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 2016 and of the performance for the year ended on that date of the consolidated entity.
  
2. In the directors' opinion there are reasonable grounds to believe that the consolidated entity 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.

Dated at Casino this 4th day of October 2016.

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P Comerford  
Director



**Thomas Noble & Russell**  
Accountants | Auditors | Business Advisers

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED AND  
ITS CONTROLLED ENTITY**

**ABN 56 000 144 963**

**INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 30 JUNE 2016**

**Independent Auditor's Report to the members of Casino Returned Servicemen's  
Memorial Club Limited and Its Controlled Entity.**

**Report on the Financial Report**

We have audited the accompanying financial report of Casino Returned Servicemen's Memorial Club Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2016, the statement of comprehensive income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated 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 for the company.

**Directors' Responsibility for the Financial Statements**

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* 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 statements 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 statements are 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 judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company'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 company'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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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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*. Our Independence Declaration required by the *Corporations Act 2001* has been provided to the directors of the company at the date of this auditor's report.

## Opinion

In our opinion, the financial report of the Casino Returned Servicemen's Memorial Club Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

Dated at Lismore this 4th day of October 2016.

## THOMAS NOBLE & RUSSELL CHARTERED ACCOUNTANTS

.....  
A J BRADFIELD (Partner)  
Registered Company Auditor

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**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED**  
**ABN 56 000 144 963**  
**AND CONTROLLED ENTITY**  
**DETAILED TRADING STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	\$	\$
<b>Bar Trading Statement</b>		
Sales	1,556,850	1,418,205
Less Cost of Goods Sold		
Opening Stock	63,490	66,133
Purchases	668,394	602,961
	<u>731,884</u>	<u>669,094</u>
Less Closing Stock	72,135	63,490
Gross Profit - Bar	<u>897,101</u>	<u>812,601</u>
Less Expenses		
Depreciation	5,224	4,495
Replacements	16,645	13,550
Licence Fee	-	5,500
Repairs and Maintenance	13,867	7,494
Wages	371,630	375,169
Net Profit - Bar	<u><u>489,735</u></u>	<u><u>406,393</u></u>
<b>Catering Trading</b>		
Sales	1,535,478	1,363,187
Less Cost of Goods Sold		
Opening Stock	18,718	12,529
Purchases	611,045	568,899
	<u>629,763</u>	<u>581,428</u>
Less Closing Stock	20,125	18,718
Gross Profit - Catering	<u>925,840</u>	<u>800,477</u>
Less Expenses		
Depreciation	13,002	15,393
Gas	25,985	26,126
Laundry	7,808	5,714
Replacements	37,299	33,270
Repairs and Maintenance	23,440	11,832
Wages	724,984	639,001
Net Profit - Catering	<u><u>93,322</u></u>	<u><u>69,141</u></u>

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED**  
**ABN 56 000 144 963**  
**AND CONTROLLED ENTITY**  
**DETAILED TRADING STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	\$	\$
<b>Gaming Income</b>		
Poker Machine Gross Receipts	4,901,090	4,436,597
Less Expenses		
Depreciation	253,212	212,416
Monitoring Fee	54,741	54,346
Poker Machine Tax	876,899	732,119
Repairs and Maintenance	183,632	149,274
Promotions and Prizes	55,249	19,868
Statewide Link Fees	10,131	24,345
Poker Machines - Net Profit	3,467,226	3,244,229
Add other gaming income		
Keno - Net Commissions	107,842	106,221
Tab - Net Commissions	3,515	5,886
	3,578,583	3,356,336
Less Wages	318,241	234,652
Net Profit - Gaming	3,260,342	3,121,684

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED**  
**ABN 56 000 144 963**  
**DETAILED INCOME & EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	\$	\$
<b>Income</b>		
Trading Income		
Bar	489,735	406,393
Gaming	3,260,342	3,121,684
Catering	93,322	69,141
	3,843,399	3,597,218
Members Subscriptions		
Subscriptions	54,093	71,972
	54,093	71,972
Other Income		
Rent	1,120,028	1,053,667
Profit on Sales of Assets	120,364	-
Sundry	98,601	71,538
	1,338,993	1,125,205
Total Income Received	5,236,485	4,794,395
<b>Less Expenditure</b>		
Accountancy Fees	36,355	38,781
Advertising	122,786	110,549
Auditor's Remuneration	30,100	22,590
Bad and Doubtful Debts	64,048	1,078
Bank Charges	20,124	19,231
Computer Expenses	15,132	-
Cleaning Labour	268,782	258,695
Cleaning Materials	41,711	38,422
Consultants	50,100	52,889
Demolition Expenses	-	38,732
Depreciation	769,265	799,355
Directors' Expenses	61,990	58,852
Donations	-	23,921
Electricity	172,049	216,462
Entertainment	140,263	162,110
Fringe Benefits Tax	-	(2,188)
Interest	67,393	134,434
Insurance	148,494	167,234
Land Tax	27,244	31,234
Lease Expenses	5,230	4,523
	2,041,066	2,176,904

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED**  
**ABN 56 000 144 963**  
**DETAILED INCOME & EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Sub Total	2,041,066	2,176,904
Legal	10,372	4,062
Long Service Leave	2,065	27,018
Loss on Sale Of Assets	9,270	13,316
Motor Vehicle	59,737	53,441
Management Fees	14,634	32,460
Payroll Tax	93,178	79,741
Postage	-	6,925
Printing and Stationery	55,804	35,228
Promotions	360,996	387,783
Rates	111,045	89,583
Rents	673	12,118
Repairs and Maintenance	326,914	560,345
Security Service	54,747	46,480
Sponsorship	146,334	99,566
Staff Expenses	44,648	47,137
Staff Training	11,700	34,328
Sundry	12,765	1,403
Superannuation	205,098	179,031
Telephone	15,625	15,743
Trade Subscriptions	12,116	9,797
Wages and Salaries	437,012	366,621
	<u>4,025,799</u>	<u>4,279,030</u>
Operating profit before associated clubs' net expenditure	<u>1,210,686</u>	<u>515,365</u>
<b>Less Associated Clubs' Net Expenditure</b>		
Bowling Club	68,903	67,588
Football Club	58,389	37,339
Snooker Club	3,842	233
Pigeon Club	1,227	(18)
Junior League Club	10,128	(4,246)
Youth Club	10,815	1,862
Fishing Club	2,556	1,396
Railway Social Club	424	(1,528)
	<u>156,284</u>	<u>102,626</u>
Operating Profit Before Income Tax	<u><u>1,054,402</u></u>	<u><u>412,739</u></u>