

Presidents report

Dear fellow members

Once again your club has had an exceptional financial year with a profit before tax of \$505,069 part of this is due to increased value in our investment properties and as members are aware we don't own the club premises so the strategy employed some years ago to put the club into a strong asset rich and income producing plan has paid off handsomely.. Another pleasing result was our trading figures which produced a trading result of \$345,990 (net profit after tax of \$311,875) To achieve results such as this in a small club is outstanding and there are reasons for this, not the least being the members support, for without their support the club could not exist. There is also good management and friendly staff interaction as well as stable financial management by the Board of Directors who oversee the running of and the future direction of your club and is paramount to the club's stability.

In another exciting development in your clubs progress, member Charlie Micallef put a proposal forward to the board to purchase in partnership with him a hotel that he had become aware of that seemed to be an ideal investment. The directors examined the proposal and taking advice from Clubs NSW and accountant Nando Da Siva a decision was made to add the hotel to our investment portfolio. So now in partnership you own a pub at Captains Flat a town near Quenbeyan. The consulting accountant Nando Da Silva suggests a return of around 7% could be expected.

Once again on behalf of the board I thank you. the members for your continued support of the club, our Thursday night raffles and entertainment, our Supersundays and our badge draw nights as well as our special events that we have during the year.

To those who lost loved ones during the year on behalf of the board I offer our sincere condolences.

Yours sincerely



RJ Scott
President

SECRETARY MANAGERS REPORT

I am pleased to report this result, a trading profit of \$505,069 before tax, a very good result. I would like to thank the members for their patronage throughout the year and I hope to enjoy your company at the club in the coming years.

The Club will always be looking for new ways to keep trading profitably while still improving the amenities for the members at the club.

I would like to take this opportunity to thank the staff for their efforts and assistance during the year.

I would also like to thank the President and the Board of Directors for the assistance and support I get with the running of the club as this often goes unnoticed.

The board and management have a very good working relationship that is reflected in the trading figures and indeed throughout the club.

I am looking forward to the oncoming year as I think the future for our club is looking very good.



Garry Parsons.
Secretary Manager.

Treasurer's Report

Ladies & Gentlemen,

What another rewarding year we have had. I am happy to report a cash profit of \$345,990 (After tax \$311,875) plus a re-evaluation of our investment properties, a paper profit of \$193,194.10 gave us a comprehensive profit of \$505,069.29, Giving our club another remarkable result for the 2016 financial year.

During the year we have continued to improve the ambience of the club with the addition of new Air conditioning units.

At the start of the new 2017 financial year we have purchased another investment property, bringing our portfolio to 6 properties, giving your club a very strong asset base.

There is no reason to have anything but optimism for the future of your club, Wishing you all good health so that you may continue to enjoy your club.

Kevin Parkes
Treasurer

A handwritten signature in black ink, appearing to read 'Kevin Parkes', written over the printed name and title.

RIVERWOOD SPORTS AND RECREATION CLUB

SOCIAL GOLF CLUB

ANNUAL REPORT 2016

This year has been a steady year for the golf club. We are averaging around 16 players per game.

Financially the golf club is doing ok. Wednesday night and Thursday night raffles keep the club together.

There is still room for more players in the golf club. Anyone is more than welcome to come and have a game.

I would like to thank Peter Harris, John Little and Brad Behrend for running the raffles, which helps keep green fees down – thank you guys. Also I would like to thank the Mother Club for their continued support to the golf club, it is much appreciated.

Winners for 2016

Club Champion	Mick Green
Match Play	Kevin Bishop
Doubles	Mick Green and Wynton Turner

Thank you.

Mick Buck

Social Golf Club, Handicapper

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Financial Statements
For the Financial Year ended 31 May 2016

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The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Directors' Report
for the Financial Year ended 31 May 2016

Your Directors present this report on the Company for the financial year ended 31 May 2016.

Directors

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

Mr Robert Scott
Mr Kevin Parkes
Mrs Mary Loutas
Mr James McAllister
Mr Marcus Roche
Mr Robert Stock
Ms Gina Taylor

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

Principle Activities

The principle activity of the company during the financial year was to provide services of a Licensed Sporting Club to its members

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

Operating Results

The net profit of the company amounted to \$505,069 (2015: \$556,178) after the payment of \$34,115 (2015: \$24,234) of Income Tax.

Objectives

Short Term

The Club's short-term objectives are:

- To promote a socially friendly environment within a small community based club.
- To maintain a commitment to member activities including loyalty rewards, live entertainment, quality raffles and badge draws.
- To support charities, particularly in the area of childhood cancer and disabilities.
- To maintain quality and prompt services for our members and guests.

Long Term

The Club's long-term objectives are:

- To maintain sound financial responsibility and cash flow with an acceptable return on investments with a view to purchasing the club premises and or the adjacent William Road premises.
- To continue improving the premises and grow the business.
- To adhere to a policy of competitive bar pricing taking into consideration local market forces as well as Government and suppliers policies.

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Directors' Report
for the Financial Year ended 31 May 2016

Strategies

To achieve its stated objectives, the Club has adopted the following strategies:

- Ongoing review of operational procedures
- Growing the business
- Improving Operational procedures

Key Performance Measures

Key performance measures used by the Club are:

- The financial situation and performance is reviewed monthly.
- The following criteria is examined:
 - Gross profit from trading
 - Divisional net profit
 - Cash flows from operations

Information on Directors in Office at the date of this report

Mr Robert Scott	- President - Retired - President 2004-2016. Director 2001-2014. Member of Club since 1986.
Mr Kevin Parkes	- Treasurer - Customs Broker - Director 2011-2016. Member of Club since 1980.
Mrs Mary Loutas	- Director - School Administrator - Director 2004-2016. Member of Club since 2000.
Mr James McAllister	- Director - Retired - Director 2012-2016. Member of Club since 1995.
Mr Marcus Roche	- Director - Business Proprietor - Director 2012-2016. Member of Club since 2004.
Ms Gina Taylor	- Director - Administration Officer - Director 2012-2016. Member of Club since 2002.
Mr Robert Stock	- Director - Retired - Director 2014-2016. Member of Club since 2005

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Directors' Report
for the Financial Year ended 31 May 2016

Meetings of Directors

During the financial year, 12 meetings of directors were held. Attendees by each directors were as follows:

	Directors Meetings Eligible To Attend	Meetings Attended
Mr Robert Scott	12	11
Mrs Mary Loutas	12	11
Mr Kevin Parkes	12	11
Mr James McAllister	12	10
Mr Marcus Roche	12	11
Mr Robert Stock	12	11
Ms Gina Taylor	12	12

Directors who retired or resigned during the year:

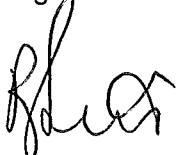
Members Limited Liability

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the Company is wound up, the Articles of Association state that each member at the date of winding up, and each member who ceased to be a member within twelve months of the date of winding up, shall contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company. At 31 May 2016, the number of members was 670 (2015, 708). At that date the total amount that members of the Company are liable to contribute if the company is wound up is \$6,700 (2015: \$7,080).

Auditors Independence Declaration

The auditor's independence declaration for the year ended 31 May 2016 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.



Robert Scott
President



Kevin Parkes
Treasurer

31/08/2016

Dated

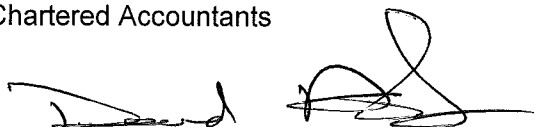
31/08/2016

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Auditor's Independence Declaration to the
Directors of The Riverwood Sports & Recreation Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 May 2016 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Escott Aston
Chartered Accountants



David G Aston
Partner

RIVERWOOD NSW 2210

Dated 1st September 2016

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Statement of Financial Position
For the Financial Year ended 31 May 2016

	Note	2016 \$	2015 \$
Current Assets			
Cash Assets	5	773,292	847,165
Receivables	6	9,232	20,567
Inventories	7	33,513	25,528
Financial Assets	8	5,000	5,000
Total Current Assets		821,037	898,260
Non-Current Assets			
Property, Plant & Equipment	9	448,377	497,734
Investment Property	10	2,743,614	2,081,806
Total Non-Current Assets		3,191,991	2,579,540
Total Assets		4,013,028	3,477,800
Current Liabilities			
Accounts Payable	11	106,998	100,642
Employee Entitlements	12	50,820	38,730
Income Tax Payable	13	24,555	15,927
Total Current Liabilities		182,373	155,299
Non-Current Liabilities			
Employee Entitlements	14	17,410	14,325
Total Non-Current Liabilities		17,410	14,325
Total Liabilities		199,783	169,624
Net Assets		3,813,245	3,308,176
Equity			
Retained profits		3,308,176	2,751,998
Profit attributable to the Company		505,069	556,178
Total Equity		3,813,245	3,308,176

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Statement of Comprehensive Income
For the Financial Year Ended 31 May 2016

	Note	2016 \$	2015 \$
Revenue from Ordinary Activities	2	6,447,161	5,370,960
Cost of Sales		(4,642,184)	(3,829,829)
Employee Benefit expense		(435,805)	(396,001)
Depreciation and Amortisation expense		(217,650)	(210,309)
Occupancy expenses		(93,141)	(90,393)
Other Expenses from Ordinary Activities		(712,391)	(564,016)
Profit before income tax expense		345,990	280,412
Income Tax Expense 1(a), 5		34,115	24,234
Profit after income tax expense		311,875	256,178
Net Profit for the year		311,875	256,178
Other Comprehensive Income			
Net fair value (loss)/gain on revaluation of Investment Properties		193,194	300,000
Total Comprehensive Income for the year		505,069	556,178

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Statement of Changes in Equity
For the Financial Year Ended 31 May 2016

Statement of Changes in Equity

	Retained Earnings \$	Reserves \$	Total \$
Balance at 1 June 2014	2,751,998	0	2,751,998
Profit/(loss) attributable to the Company	556,178	0	556,178
Transfers to and from reserves	0	0	0
Balance at 31 May 2015	3,308,176	0	3,308,176
Profit/(loss) attributable to the Company	505,069	0	505,069
Transfers to and from reserves	0	0	0
Balance at 31 May 2016	3,813,245	0	3,813,245

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Cash Flow Statement
For the Financial Year ended 31 May 2016

	Note	2016 \$	2015 \$
Cash Flows from Operating Activities			
Cash received from Trading		6,481,508	5,442,200
Grants Received		17,180	17,180
Membership Fees		2,832	3,528
Interest Received		8,440	13,112
Rental Income		98,790	75,725
Payment to Suppliers and Employees		(6,020,228)	(4,958,679)
Income Tax Paid		(25,487)	(21,765)
Net cash generated from operating activities		563,035	554,121
Cash Flows from Investing Activities			
Redemption of Investments		0	391,170
Proceeds from Sale of Assets		0	0
Acquisition of Investment Property		(468,614)	(376,806)
Acquisition of property, plant and equipment		(168,294)	(178,584)
Net cash used in investing activities		(636,908)	(164,220)
Net increase/ (decrease) in cash held		(73,873)	389,901
Cash at start of the financial year		847,165	457,264
Cash at close of the financial year		773,292	847,165

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Notes to and forming part of the Financial Statements
For the Financial Year ended 31 May 2016

Note 1 – Summary of Significant Accounting Policies

The financial statements cover Riverwood Sports & Recreation Club Limited as an individual entity, Riverwood Sports & Recreation Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Basis of Preparation

Riverwood Sports & Recreation Club Limited applies the Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements and other applicable Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Associations Incorporation Act 2009*. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 (AASB) and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

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 liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 31 August, 2016 by the directors of the company.

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Notes to and forming part of the Financial Statements
For the Financial Year ended 31 May 2016

Significant Accounting Policies

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Club and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sales revenue

Sales revenue is recognised when the goods or services are provided.

Interest income

Interest income is recognised as it accrues.

Commission revenue

Commission revenue is recognised when control of a right to receive consideration for the provision of services has been attained.

Gaming machine takings

Gaming machine revenue is recognised when net takings in the gaming machines are counted.

Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or non-deductible items. It is calculated using tax rates that have been enacted or are substantively enacted by the financial report date.

The Company, operating as a registered club, is liable for income tax on income derived from non members, interest, dividends, rental income, commissions and capital gains. The principle of mutuality is used to calculate non-member income.

Inventories

Inventories, consisting of bar stocks on hand, are valued at cost.

Property, Plant and Equipment

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

Leasehold Improvements

Leasehold improvements are measured on the cost basis less depreciation and impairment losses.

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Notes to and forming part of the Financial Statements
For the Financial Year ended 31 May 2016

Plant and Equipment

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

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold lands, are depreciated on a straight line or diminishing value basis over their useful lives to the Company 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 life of the improvement.

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

Leasehold improvements	10%
Plant and equipment	9-40%
Gaming machines	40%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting month.

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

Investment Property

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

The fair value of an investment property is the amount for which the asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. Fair value of investment properties is determined annually by the Directors based on an assessment of value by the managing real estate agents. Fair values are determined by the agent using market information, including prices for similar properties in comparable locations.

Changes to fair values of investment properties are recognised in the statement of comprehensive income in the period in which they occur.

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Notes to and forming part of the Financial Statements
For the Financial Year ended 31 May 2016

Financial Instruments

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

Initial Recognition & Measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. Financial Instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at either fair value or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(i) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market value and are subsequently measured at amortised cost.

(ii) 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 entity's intention to hold these investments to maturity. They are subsequently measured at cost.

(iii) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment of Assets

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

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

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Notes to and forming part of the Financial Statements
For the Financial Year ended 31 May 2016

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 expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the company to employee superannuation funds and are charged as expenses when incurred.

Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than three months and net of bank overdraft.

Trade and other payables

Liabilities for trade creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Club.

Leases

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.

Comparative figures

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

Critical accounting estimates and judgements

The directors evaluate estimates and judgments incorporated into the financial report 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.

Goods and Services Tax (GST)

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

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

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

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Notes to and Forming Part of the Financial Statements
For the Financial Year ended 31 May 2016

Note	2016 \$	2015 \$
Note 2 – Revenue & Other Income		
Operating Revenue		
Bar Sales	621,189	633,919
Gaming Machine Revenue	5,613,475	4,548,854
Subscriptions	2,821	3,369
Other Sundry Income	120,486	103,466
State Government Grant	17,180	17,180
	<u>6,375,151</u>	<u>5,306,788</u>
Other Revenue		
Net Rental Income	63,570	51,060
Interest Received	8,440	13,112
	<u>72,010</u>	<u>64,172</u>
Total Revenue	<u>6,447,161</u>	<u>5,370,960</u>
Note 3 – Profit for the Year		
Profit from ordinary activities before income tax has been determined after:		
Depreciation		
Plant and Equipment	29,679	48,701
Leasehold Amortisation	51,211	51,071
Furniture and Fittings	10,282	12,801
Gaming Machines	109,264	96,131
	<u>200,436</u>	<u>208,704</u>
Lease Rental Expenses – Operating Leases	79,684	77,949
Loss on Sales of Equipment	17,214	1,605
Amounts set aside to Provision for Employee Entitlements	15,175	5,235
Employment expenses	<u>420,630</u>	<u>390,766</u>

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Notes to and forming part of the Financial Statements
For the Financial Year ended 31 May 2016

Note	2016 \$	2015 \$
Note 4 – Income Tax		
The components of tax expenses comprise:		
Current tax	34,115	23,618
Under/(over) provision in prior year	0	616
Income Tax Expense	<u>34,115</u>	<u>24,234</u>
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit from Ordinary activities before income tax at 30% (2016: 30%)	104,246	84,124
Add:		
Tax effect of:		
Non-deductible depreciation and amortization	0	0
Other non-allowable items	0	0
	<u>104,246</u>	<u>84,124</u>
Less:		
Tax effect of:		
Capital Gains Exemption	0	0
Profit not subject to income tax due to the principle of mutuality	70,131	59,890
Income Tax Expense	<u>34,115</u>	<u>24,234</u>
Note 5 – Cash Assets		
On hand and at Bank	<u>773,292</u>	<u>847,165</u>
Note 6 – Receivables		
CURRENT		
Other accounts receivable	9,232	20,567
	<u>9,232</u>	<u>20,567</u>
Note 7 – Inventories		
Finished goods, at cost	<u>33,513</u>	<u>25,528</u>

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Notes to and forming part of the Financial Statements
For the Financial Year ended 31 May 2016

	Note	2016 \$	2015 \$
Note 8– Financial Assets			
CURRENT			
<u>Held to maturity financial asset</u>			
Fixed Term Deposits		5,000	5,000
Total Financial Assets		5,000	5,000
Note 9 – Property Plant & Equipment			
<u>Plant and Equipment</u>			
At Cost:		1,542,523	1,501,046
Less Accumulated depreciation		1,230,715	1,191,093
		311,808	309,953
<u>Leasehold Improvements</u>			
At Cost:		401,916	401,916
Less Accumulated depreciation		265,347	214,135
		136,569	187,781
Total Property Plant & Equipment		448,377	497,734

Movements in Carrying Amounts

2016

	Plant and Equipment \$	Leasehold Improvements \$	Total \$
Balance at the beginning of year	309,953	187,781	497,734
Additions	168,294	-	168,294
Disposals	(126,817)	-	(126,817)
Depreciation	(149,224)	(51,212)	(200,436)
Depreciation written back	109,602		109,602
Carrying amount at the end of year	311,808	136,569	448,377

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Notes to and forming part of the Financial Statements
For the Financial Year ended 31 May 2016

Note	2016 \$	2015 \$
Note 10 – Investment Property		
Investment Properties at Fair Value		
18/14-18 Coleridge Street, Riverwood	645,000	635,000
16/38-46 Cairds Avenue, Bankstown	550,000	490,000
408/55 Raymond Street, Bankstown	590,000	580,000
53/22-28 Raymond Street, Bankstown	490,000	376,806
14/18-20 Campbell Street, Punchbowl, at cost	468,614	0
	<u>2,743,614</u>	<u>2,081,806</u>
Gross Rental Income	98,790	75,726
Direct Operating Expenses	35,220	24,666
Net Rental Income	<u>63,570</u>	<u>51,060</u>

Movements in Carrying Amounts

2016

	Investment Properties \$	Total \$
Balance at the beginning of year	2,081,806	2,081,806
Additions	468,614	468,614
Disposals	-	-
Movements in Fair Value	193,194	193,194
Balance at the end of year	<u>2,743,614</u>	<u>2,743,614</u>

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Notes to and forming part of the Financial Statements
For the Financial Year ended 31 May 2016

Note	2016 \$	2015 \$
Current Liabilities		
Note 11 – Accounts Payable		
Accrued Charges	84,737	83,358
Trade Accounts Payable	12,851	11,161
Fees Received in Advance	589	578
GST Payable	8,821	5,545
	106,998	100,642
Note 12 – Employee Entitlements		
Annual and Long Service Leave	50,820	38,730
	50,820	38,730
Note 13 - Taxation		
Income Tax Payable	24,555	15,927
	24,555	15,927
Non-Current Liabilities		
Note 14 – Employee Entitlements		
Long Service Leave Entitlements	17,410	14,325
	17,410	14,325
Note 15 – Capital & Lease Commitments		
Aggregate amount contracted for, but not provided for in the financial statements		
(a) Lease of Premises		
Due within 1 year	81,305	87,558
Due within 1-2 years	0	80,261
Due within 2-5 years	0	0
	81,305	167,819

The lease of the premises expires on 4 May 2017.

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Notes to and forming part of the Financial Statements
For the Financial Year ended 31 May 2016

	Note	2016 \$	2015 \$
Note 16 – Key Management Personnel Compensation			
Total Compensation paid to Key Management Personnel			
Key Management personnel include the Directors and Secretary Manager			
<u>Key Management Personnel Compensation</u>		136,860	127,646

Note 17 – Other Related Party Transactions

(a) Related Parties

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

During part of the year the daughter of the Secretary Manager worked as a casual barperson on award rates as provided to other bar staff.

(b) Loans to Other Related Parties

beginning of the year	0	66,664
loans advanced	0	0
loans repaid	0	(66,664)
end of the year	0	0

Note 18 – Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The carrying amounts 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 19 – Events after the Reporting Period

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

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Notes to and forming part of the Financial Statements
For the Financial Year ended 31 May 2016

	Note	2016 \$	2015 \$
Financial assets			
Cash		773,292	847,166
Receivables		9,232	19,744
Held-to-maturity investments		5,000	5,000
Total Financial Assets		<u>787,524</u>	<u>871,910</u>
Financial Liabilities at cost			
Trade and other payables		131,552	116,366
Total Financial Liabilities		<u>131,552</u>	<u>116,366</u>

Note 20 – Company Details

The registered office of the company is:

Riverwood Sports & Recreation Club Limited, 283 Belmore Road, Riverwood

The principal place of business is:

283 Belmore Road, Riverwood

The principal activities of the company are Licensed Sport & Recreation Club.

Note 21 – Disclosure Requirements under Section 41J of the Registered Clubs Act

Core and Non Core Property

Section 41J of the Act defines core property as meaning any real property owned or occupied by the Club that comprises:-

- (a) the defined premises of the club, or
- (b) any facility provided by the club for use of its members and their guests' or
- (c) any other property declared, by resolution passed by a majority of the members present at the general meeting of the ordinary members of the club, not to be core property of the Club.

Non-core property is defined as meaning any real property owned or occupied by the Club that is not core property.

The Directors consider the Club's premises at 283 Belmore Road, Riverwood which are leased by & occupied by the Club to be core Property. Leasehold improvements carried out at this property are disclosed at a value of \$136,569 (2015 - \$187,781) at Note 9.

The Directors consider the Investment Properties owned by the Club to be non-core property. Investment Properties are disclosed at a value of \$2,743,614 (2015 - \$2,081,876) at Note 10.

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Directors' Declaration
For the Financial Year ended 31 May 2016

The Directors of the Company declare that:

1. The financial statements and notes thereto are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001, and
 - (b) give a true and fair view of the financial position as at 31 May 2016 and of the performance for the year ended on that date of the Club.
2. In the directors' opinion there are reasonable grounds to believe that the Club 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.



Robert Scott
President



Kevin Parkes
Treasurer

31/08/2016

Dated 31/08/2016

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Independent Auditor's Report to the Members
For the Financial Year ended 31 May 2016

Report on the Financial Report

We have audited the accompanying financial report of The Riverwood Sports & Recreation Club Limited (the company), which comprises the statement of financial position as at 31 May 2016 the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration, as set out on pages 6 to 22.

Directors Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure 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 report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporation Act 2001*, which has been given to the directors of The Riverwood Sports & Recreation Club Limited would be in the same terms if given to the directors as at the time of this auditor's report.

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Independent Auditor's Report to the Members
For the Financial Year ended 31 May 2016

Audit Opinion

In our opinion, the financial report of The Riverwood Sports & Recreation Club Limited is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the company's financial position as at 31 May 2016 and of its performance for the year then ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Escott Aston
Chartered Accountants



David G Aston
Partner

RIVERWOOD NSW 2210


Dated 1st September 2016

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
Independent Auditor's Report to the Members
For the Financial Year ended 31 May 2016

**Auditor's Disclaimer to the Members
For the year ended 31 May 2016**

The additional data presented in the Profit & Loss Statement and Trading accounts is in accordance with the books and records of the Riverwood Sports & Recreation Club Limited (our client) which have been subjected to the auditing procedures applied in the statutory audit of the Company for the year ended 31 May 2016. It will be appreciated that the statutory audit did not cover all details of the financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than our client) in respect of such data, including any errors or omissions therein however caused.

Escott Aston
Chartered Accountants



David G Aston
Partner

RIVERWOOD NSW 2210

Dated 127 September 2016

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
(A Company Limited by Guarantee)
Profit and Loss Account
For the Financial Year ended 31 May 2016

	Note	2016 \$	2015 \$
Income			
Membership Fees		2,821	3,369
Interest Received		8,440	13,112
Keno Commission		43,022	35,477
ATM Commission		10,708	8,763
TAB Commission		6,824	5,234
Net Rental Income		63,570	51,060
Sundry Income		401	945
Direct Profit on:			
Gaming Machine Trading		938,908	812,313
Bar Trading		54,083	101,971
Sports Council Trading		0	583
		1,128,777	1,032,827
Less: Direct Costs of:			
Social Activities		143,406	116,715
Raffles and Euchre		18,272	18,335
Keno Expenses		2,730	2,759
Sports Council Trading		1,202	0
		165,610	137,809
Gross Income		963,167	895,017
Less: Indirect Expenses			
Club House Expenses			
Cleaning & Laundry		11,923	10,571
Contract Cleaning		29,403	28,498
Depreciation		25,315	48,701
Electricity & Gas		40,963	42,714
Leasehold Amortisation		51,211	51,071
Rent		79,684	77,949
R & M – Building		2,719	467
R & M – Furniture & Fittings		15,263	15,237
Waste Removal		6,514	5,956
		262,995	281,164
Expenses carried forward			

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
(A Company Limited by Guarantee)
Profit and Loss Account
For the Financial Year ended 31 May 2016

	Note	2016 \$	2015 \$
Administration Expenses			
Audit Fees		13,950	12,800
Accountancy Fees		12,650	13,600
Bank Charges		2,061	2,012
Cash Loss		3,647	197
Computer Expenses		1,986	895
Consultancy Fees		3,600	12,080
Depreciation		10,282	8,187
Directors Honorarium		15,385	13,215
Donations		7,170	3,092
Employee Entitlement – Paid		0	3,633
Employee Entitlement – Provision		15,175	5,235
General Expenses		4,529	2,458
Insurance		42,512	36,030
Loss on Sale of Assets		0	810
Rates & Land Tax		13,457	12,444
Salaries & Wages		110,936	118,601
Security Service		15,930	13,810
Sky Channel & TVN		19,884	21,327
Staff Amenities		267	397
Staff Training		2,930	0
Stamps, Printing & Stationery		1,407	1,506
Subscriptions and Licences		15,864	13,602
Superannuation		34,052	30,660
Telephone		6,508	6,850
		354,182	333,441
Total Indirect Expenses		617,177	614,605
Net Income/(Loss) transferred		345,990	280,412

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
(A Company Limited by Guarantee)
Trading Account
For the Financial Year ended 31 May 2016

	Note	2016 \$	2015 \$
Bar Trading Account			
Sales			
Beer – Bulk		385,284	397,362
Spirits		143,011	140,755
Bottles		72,405	75,820
Other		20,489	19,983
Total Sales		621,189	633,920
Less: Cost of Sales			
Opening Stock		24,844	27,741
Purchases		353,379	338,257
		378,223	365,998
Closing Stock		33,179	24,844
		345,044	341,154
Gross Profit		276,145	292,766
		44.45%	46.18%
Add Sundry Income			
Cigarette Commission		450	470
Pool Table & Jukebox		986	1,530
		1,436	2,000
		277,581	294,766
Less: Direct Bar Expenses			
Depreciation		4,364	4,614
General Bar Expenses		5,574	4,026
Repairs & Replacements		6,479	6,660
Salaries & Wages		207,081	177,495
		223,498	192,795
Direct Profit transferred		54,083	101,971

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
(A Company Limited by Guarantee)
Trading Account
For the Financial Year ended 31 May 2016

	Note	2016 \$	2015 \$
Gaming Machine Trading Account			
Receipts		5,613,475	4,548,853
Less: Payouts		4,294,682	3,488,675
Net Takings		1,318,793	1,060,178
Add: State Government GST Grant		17,180	17,180
		17,180	17,180
		1,335,973	1,077,358
Less: Direct Expenses			
Depreciation		109,264	96,131
Maintenance & Statistics		51,674	42,150
Salaries & Wages		68,560	60,376
Gaming Machine Promotion		19,245	17,410
Gaming Machine Duty		131,108	48,183
Loss on Disposal of Assets		17,214	795
		397,065	265,045
Direct Profit transferred		938,908	812,313
Social Trading Account			
Direct Expenses			
Entertainment		79,705	76,099
Complimentary Drinks		21,899	19,884
Fox Sports		19,712	0
Function Meals		630	919
Members Lucky Number		20,710	16,237
AGM & Members Expenses		1,650	4,458
		144,306	117,597
Less: Receipts			
Special Function Receipts		900	882
Direct Costs transferred		143,406	116,715

The Riverwood Sports & Recreation Club Limited
A.B.N. 75 000 290 406
(A Company Limited by Guarantee)
Trading Account
For the Financial Year ended 31 May 2016

	Note	2016 \$	2015 \$
Raffles & Euchre			
Euchre Costs		4,845	4,750
Euchre Receipts		2,341	2,133
		2,504	2,617
Raffle Costs		56,497	55,607
Super-draw		7,850	7,400
		64,347	63,007
Less: Raffle Receipts		48,579	47,289
		15,768	15,718
Direct Cost transferred		18,272	18,335