

**THE NORTH SYDNEY CLUB LTD TRADING  
AS WAVERTON NORTH SYDNEY CLUB**

**ABN: 21 000 218 084**

**Financial Report For The Year Ended  
31 December 2016**

***HOUSTON & CO PTY LIMITED***  
Chartered Accountant

# The North Sydney Club Ltd Trading as Waverton North Sydney Club

ABN: 21 000 218 084

## Financial Report For The Year Ended 31 December 2016

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**THE NORTH SYDNEY CLUB LTD TRADING AS WAVERTON NORTH SYDNEY CLUB**  
**ABN: 21 000 218 084**  
**DIRECTORS' REPORT**

Your directors present this report on the company for the financial year ended 31 December 2016.

**Directors**

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

Peter Hatton appointed (27/07/2010)  
Terence Pride appointed (10/08/1988)  
George Noar appointed (2/03/1989)  
Bruce Pettman appointed (16/01/2015)  
Christopher Nolan appointed (27/07/2010)  
Andy Rigby appointed (16/01/2015)

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 activity of the company during the financial year was:

- promote lawn bowls and to provide the facilities of a licensed club.

**Matters subsequent to the end of the financial year**

The company has received an invoice from the NSW Department of Industry - Lands for \$138,930.90 on 8th February 2017. The company has only recognised \$50,000 as a liability. The directors are confident that the claimed amount can be negotiated down to the amount recognised as current liability. Refer to Note 11.

**Likely developments and expected results of operations**

The company has only \$29,560 surplus as on 31 December 2016 and based on the 2017 forecast there will be a surplus. If the invoice referred to in Matters subsequent to the end of the financial year cannot be renegotiated and company is not able to secure alternative sources of income, the club will have to review it's operations.

**Short-term and Long-term Objectives**

The company's short term objectives are to:

- membership drive local area 10,000 letters box drop, door knock businesses with corporate package North Sydney, Crows Nest, Kirribilli for functions seminars and corporate meetings
- increase income without increasing costs

The company's long term objectives are to:

- establish the Club as an upmarket venue for functions and dining.
- upgrade the bowling greens and reintroduce competition bowling
- increase the bowling membership whilst still providing upgraded facilities for non bowling members.

**Strategies**

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

- to reduce the costs by examining every aspect of the business including supplies and consultants.
- focus on financial sustainability of the club

**Key Performance Measures**

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

**THE NORTH SYDNEY CLUB LTD TRADING AS WAVERTON NORTH SYDNEY CLUB**  
**ABN: 21 000 218 084**  
**DIRECTORS' REPORT**

**Information on Directors**

Peter Hatton		
Qualifications	—	Owner Operator of Porter's Waverton
Experience	—	Ex President Waverton Bowling & Recreation Club
Special Responsibilities	—	Vice President
Terence Pride		
Qualifications	—	Structural Engineers
Experience	—	Club director for 26 years, president 22 years
Special Responsibilities	—	President, Treasurer
George Noar		
Qualifications	—	Telco Company Director (retired)
Experience	—	Club Director 25 year, Licencee 18 years
Special Responsibilities	—	Director
Bruce Pettman		
Qualifications	—	Architect
Experience	—	Social Club Bowling
Special Responsibilities	—	Director
Christopher Nolan		
Qualifications	—	Solicitor, ex-police officer, ex-private investigator
Experience	—	Club security and legal issues
Special Responsibilities	—	Director
Andy Rigby		
Qualifications	—	Freelance cameraman
Experience	—	Restauranteur
Special Responsibilities	—	Director

**Meetings of Directors**

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

	Directors' Meetings	
	No. eligible to attend	No. attended
Peter Hatton	13	11
Terence Pride	13	12
George Noar	13	13
Bruce Pettman	13	6
Christopher Nolan	13	13
Andy Rigby	13	11

The company is incorporated 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 \$10 each towards meeting any outstanding obligations of the company. At 31 December 2016, the total amount that members of the company are liable to contribute if the company is wound up is \$3,130 (2015: \$3,840).

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 31 December 2016 has been received and can be found on page 4 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

**THE NORTH SYDNEY CLUB LTD TRADING AS WAVERTON NORTH SYDNEY CLUB  
ABN: 21 000 218 084  
DIRECTORS' REPORT**

Director



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**Terence Pride**

Dated this

12<sup>th</sup> day of May 2017



**HOUSTON & CO Pty Limited**  
Chartered Accountant

**Owen Houston CA**

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**THE NORTH SYDNEY CLUB LTD TRADING AS WAVERTON NORTH SYDNEY CLUB**

**ABN: 21 000 218 084**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF  
THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF THE NORTH SYDNEY CLUB LTD TRADING AS  
WAVERTON NORTH SYDNEY CLUB**

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

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

Name of Firm      Houston & Co Pty Ltd \_\_\_\_\_



Name of Partner    Owen Houston \_\_\_\_\_

Date                    12 May 2017 \_\_\_\_\_

Address                Suite 4, 113 Willoughby Road \_\_\_\_\_

Crows Nest NSW 2065 \_\_\_\_\_

**THE NORTH SYDNEY CLUB LTD TRADING AS WAVERTON NORTH SYDNEY CLUB**  
**ABN: 21 000 218 084**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>Note</b>	2016	2015
		\$	\$
Revenue	2	924,278	879,641
Other income	2	19,736	143,580
Costs of goods sold		(606,114)	(639,812)
Employee benefit expense		(99,057)	(93,606)
Depreciation and amortisation expense	3	(37,621)	(45,242)
Interest expense	3	(5,606)	(4,777)
Rental expense	3	(24,000)	(26,000)
Audit, legal and bookkeeping fees	3	(49,695)	(49,640)
Administration expense	3	(95,372)	(93,887)
Occupancy costs	3	(74,122)	(89,446)
Poker machine expenses	3	(31)	(21,300)
<b>Current year surplus before income tax</b>		<u>(47,604)</u>	<u>(40,489)</u>
Tax expense		-	-
<b>Net current year surplus/(deficit)</b>		<u>(47,604)</u>	<u>(40,489)</u>
Surplus/(deficit) attributable to members of the entity		<u>(47,604)</u>	<u>(40,489)</u>

The accompanying notes form part of these financial statements.

**THE NORTH SYDNEY CLUB LTD TRADING AS WAVERTON NORTH SYDNEY CLUB**  
**ABN: 21 000 218 084**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016**

	<b>Note</b>	2016 \$	2015 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash on hand	4	116,140	114,675
Inventories on hand	5	48,200	17,031
Other current assets	6	6,170	10,325
<b>TOTAL CURRENT ASSETS</b>		<u>170,510</u>	<u>142,031</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	116,570	154,191
<b>TOTAL NON-CURRENT ASSETS</b>		<u>116,570</u>	<u>154,191</u>
<b>TOTAL ASSETS</b>		<u>287,080</u>	<u>296,222</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other payables	8	212,721	175,298
Employee provisions	9	44,799	43,760
<b>TOTAL CURRENT LIABILITIES</b>		<u>257,520</u>	<u>219,058</u>
<b>TOTAL LIABILITIES</b>		<u>257,520</u>	<u>219,058</u>
<b>NET ASSETS</b>		<u>29,560</u>	<u>77,164</u>
<b>EQUITY</b>			
Retained surplus/(deficit)		<u>29,560</u>	<u>77,164</u>
<b>TOTAL EQUITY</b>		<u>29,560</u>	<u>77,164</u>

The accompanying notes form part of these financial statements.



**THE NORTH SYDNEY CLUB LTD TRADING AS WAVERTON NORTH SYDNEY CLUB**  
**ABN: 21 000 218 084**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>Note</b>	Retained Surplus/(Deficit) \$	Total \$
<b>Balance at 1 January 2015</b>		117,653	117,653
Surplus/(deficit) for the year attributable to members of the entity		(40,489)	(40,489)
<b>Balance at 31 December 2015</b>		<u>77,164</u>	<u>77,164</u>
Surplus/(deficit) for the year attributable to members of the entity		(47,604)	(47,604)
<b>Balance at 31 December 2016</b>		<u><u>29,560</u></u>	<u><u>29,560</u></u>

The accompanying notes form part of these financial statements.

**THE NORTH SYDNEY CLUB LTD TRADING AS WAVERTON NORTH SYDNEY CLUB**  
**ABN: 21 000 218 084**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		1,007,998	928,309
Interest received		449	121
Payments to suppliers and employees		(1,006,982)	(1,037,529)
Net cash generated from operating activities	13	<u>1,465</u>	<u>(109,099)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		-	138,986
Payment for property, plant and equipment		-	(2,228)
Net cash used in investing activities		<u>-</u>	<u>136,758</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net increase in cash held		1,465	27,659
Cash on hand at beginning of the financial year		114,675	87,016
Cash on hand at end of the financial year	4	<u><u>116,140</u></u>	<u><u>114,675</u></u>

The accompanying notes form part of these financial statements.

**THE NORTH SYDNEY CLUB LTD TRADING AS WAVERTON NORTH SYDNEY CLUB**  
**ABN: 21 000 218 084**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

**Note 1            Summary of Significant Accounting Policies**

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

The financial statements were authorised for issue on 12 May 2017 by the directors of the company.

**Accounting Policies**

**(a) Revenue**

The North Sydney Club Ltd Trading as Waverton North Sydney Club receives revenue from operating activities, gaming, and membership fees.

Revenue is measured by reference to the fair value consideration received or receivable by the Company for goods supplied and services provided.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

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

**(b) Inventories**

Inventories are measured at the lower of cost and current replacement cost. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

**(c) Property, Plant and Equipment**

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

**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 (refer to Note 1(e) for details of impairment).

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

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Plant and equipment	15-40%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**THE NORTH SYDNEY CLUB LTD TRADING AS WAVERTON NORTH SYDNEY CLUB**  
**ABN: 21 000 218 084**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

**(d) Leases**

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

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

**(e) Impairment of Assets**

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

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

**(f) Employee Benefits**

**Short-term employee benefits**

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

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

**(g) 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.

**(h) Goods and Services Tax (GST)**

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

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

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

**(i) Income Tax**

The income tax expense as stated in the statement of comprehensive income is the amount calculated to be based on a formula determined by the Australian Taxation Office. Clubs are only assessed for income tax on the proportion payable of income derived from non-members, investments and other income specifically assessable under the Income Tax Assessment Act.

**(j) Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

**(k) Comparative Figures**

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

**THE NORTH SYDNEY CLUB LTD TRADING AS WAVERTON NORTH SYDNEY CLUB**  
**ABN: 21 000 218 084**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

**(l) Trade and Other Payables**

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

**(m) Critical Accounting Estimates and Judgments**

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 company.

**(n) Going Concern**

There is a surplus in equity of \$29,560

In the normal course of trading, non current assets may not be realised for the amounts stated which may result in a deficiency in equity.

The directors have taken corrective action to improve trading and cash flow forecasts show a surplus for 2017.

The directors are of the opinion that the forecast is achievable and that it is appropriate to prepare the accounts on the going concern basis.

**Key Estimates**

*Impairment*

The company assesses impairment at each reporting date by evaluating conditions specific to the company 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 assessing recoverable amounts incorporate a number of assumptions that have been made at the end of the financial year.

**Key Judgments**

*Employee benefits*

For the purpose of measurement, AASB 119: Employee Benefits (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the Company expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12 month period that follows (despite an informal Company policy that requires annual leave to be used within 18 months), the Directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

**Note 2 Revenue and Other Income**

	2016	2015
	\$	\$
<b>Revenue</b>		
— Sales	921,966	852,489
— Membership annual fees	1,863	5,374
— Poker machine takings	-	21,657
	<u>923,829</u>	<u>879,520</u>
Other revenue		
Interest received	449	121
	<u>449</u>	<u>121</u>
<b>Total revenue</b>	<u>924,278</u>	<u>879,641</u>
<b>Other income</b>		
— Gain on disposal of property, plant and equipment	-	135,651
— Other	19,736	7,929
<b>Total other income</b>	<u>19,736</u>	<u>143,580</u>
<b>Total revenue and other income</b>	<u>944,014</u>	<u>1,023,221</u>

**THE NORTH SYDNEY CLUB LTD TRADING AS WAVERTON NORTH SYDNEY CLUB**  
**ABN: 21 000 218 084**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

**Note 3 Surplus for the Year**

	Note	2016 \$	2015 \$
<b>(a) Expenses</b>			
Employee benefits expense:			
— Employee benefits expense		99,057	93,606
Total employee benefits expense		<u>99,057</u>	<u>93,606</u>
Depreciation and amortisation:			
— Depreciation and amortisation	8	37,621	45,242
— Impairment	8	-	
Total depreciation and amortisation		<u>37,621</u>	<u>45,242</u>
Rental expense on operating leases:			
— minimum lease payments		24,000	26,000
Total Rental Expense		<u>24,000</u>	<u>26,000</u>
Auditor fees			
— audit services		4,600	4,600
— taxation services		5,000	5,000
— Bookkeeping services		40,095	40,040
Total Audit Remuneration		<u>49,695</u>	<u>49,640</u>

**Note 4 Cash on Hand**

	2016 \$	2015 \$
<b>CURRENT</b>		
Cash at bank	111,870	110,189
Cash float	4,270	4,486
Total cash and cash equivalents as stated in the statement of financial position	<u>116,140</u>	<u>114,675</u>
Total cash and cash equivalents as stated in the cash flow statement	<u>116,140</u>	<u>114,675</u>

**Note 5 Inventories on Hand**

	2016 \$	2015 \$
<b>CURRENT</b>		
At cost		
Inventory	48,200	17,031
	<u>48,200</u>	<u>17,031</u>

**Note 6 Other Current Assets**

	2016 \$	2015 \$
Prepayments	6,170	10,325
	<u>6,170</u>	<u>10,325</u>

**THE NORTH SYDNEY CLUB LTD TRADING AS WAVERTON NORTH SYDNEY CLUB**  
**ABN: 21 000 218 084**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

**Note 7 Property, Plant and Equipment**

		2016 \$	2015 \$
<b>PLANT AND EQUIPMENT</b>			
Plant and equipment			
At cost		525,374	525,374
Less accumulated depreciation		(273,804)	(236,183)
Less accumulated impairment losses	7(a)	(135,000)	(135,000)
		<u>116,570</u>	<u>154,191</u>
Total plant and equipment		<u>116,570</u>	<u>154,191</u>
Total property, plant and equipment		<u>116,570</u>	<u>154,191</u>

**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:

	Plant and Equipment \$	Total \$
<b>2015</b>		
Balance at the beginning of the year	200,540	200,540
Additions at cost	2,227	2,227
Disposals	(3,334)	(3,334)
Depreciation expense	(45,242)	(45,242)
Carrying amount at end of year	<u>154,191</u>	<u>154,191</u>
<b>2016</b>		
Balance at the beginning of the year	154,191	154,191
Depreciation expense	(37,621)	(37,621)
Carrying amount at end of year	<u>116,570</u>	<u>116,570</u>

**Asset revaluations**

a) at 31 December 2014 the directors reviewed the recoverable value of the plant & equipment and consider that the value is considerably impaired, and are satisfied that the recoverable amount should be \$200,540 at 31 December 2014. To reflect directors assumptions an impairment provision of \$135,000 was provided for in the accounts as at 31 December 2014.

**Note 8 Accounts Payable and Other Payables**

	2016 \$	2015 \$
<b>CURRENT</b>		
Accounts payable	42,225	29,791
Other current payables	170,496	145,507
	<u>212,721</u>	<u>175,298</u>

**Note 9 Employee Provisions**

	2016 \$	2015 \$
<b>CURRENT</b>		
Short-term Employee Benefits		
Opening balance at 1 January 2016	43,760	39,685
Additional provisions raised during year	1,039	4,075
Balance at 31 December 2016	<u>44,799</u>	<u>43,760</u>

**THE NORTH SYDNEY CLUB LTD TRADING AS WAVERTON NORTH SYDNEY CLUB**  
**ABN: 21 000 218 084**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
<b>Analysis of Employee Provisions</b>	\$	\$
Current	44,799	43,760
	<u>44,799</u>	<u>43,760</u>

**Provision for Employee Benefits**

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

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

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

**Note 10 Capital and Leasing Commitments**

**(a) Operating Lease Commitments**

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2016	2015
Payable – minimum lease payments	\$	\$
— not later than 12 months	-	-
— later than 12 months but not later than 5 years		
— later than 5 years		
	<u>-</u>	<u>-</u>

In December 2013, the company negotiated a rental lease with the NSW Government - Trade and Investment Crown Lands. The lease still has not been signed accordingly the leasing commitment has not been recognised.

**Note 11 Contingent Liabilities and Contingent Assets**

	2016	2015
Estimates of the potential financial effect of contingent liabilities that may become payable:	\$	\$
Contingent Liabilities		
The company has received an invoice from the NSW Department of Industry - Lands for \$96,154.10 including GST for rent in arrears and rent due for 2017 of \$42,776.80 including GST. The company has recognised \$50,000.00 as a liability. The directors are confident that the claimed amount can be negotiated down to the amount recognised as a current liability. - Refer to Note 12	38,174	-
	<u>38,174</u>	<u>-</u>

**Note 12 Events After the Reporting Period**

The directors received an invoice from the NSW Department of Industry - Lands for \$138,930.90 on 8th February 2017 - refer to Note 11.

**Note 13 Cash Flow Information**

<b>Reconciliation of Cashflow from Operating Activities with Current Year Surplus</b>	2016	2015
	\$	\$
Profit after income tax	(47,604)	(40,489)
Non cash flows		
Depreciation and amortisation expense	37,621	45,242
(Gains)/Loss on disposal of property, plant and equipment	-	(135,651)
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable and other debtors	-	-
Increase/(decrease) in accounts payable and other payables	37,423	30,435
Increase/(decrease) in provisions for employee benefits	1,039	4,075
(Increase)/decrease in inventories on hand	(31,169)	(7,163)
(Increase)/decrease in prepayments	4,155	(5,548)
	<u>1,465</u>	<u>(109,099)</u>



**THE NORTH SYDNEY CLUB LTD TRADING AS WAVERTON NORTH SYDNEY CLUB**  
**ABN: 21 000 218 084**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

**Note 14 Financial Risk Management**

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, receivables and payables, and lease liabilities.

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	2016 \$	2015 \$
<b>Financial assets</b>			
Cash on hand	4	116,140	114,675
<b>Total financial assets</b>		116,140	114,675
<b>Financial liabilities</b>			
Financial liabilities at amortised cost			
— accounts payable and other payables		212,721	175,298
<b>Total financial liabilities</b>		212,721	175,298

**Note 15 Entity Details**

The registered office of the entity is:

The North Sydney Club Ltd Trading as Waverton North Sydney Club  
Woolcott Street, Waverton NSW 2060

The principal place of business is:

The North Sydney Club Ltd Trading as Waverton North Sydney Club  
Woolcott Street, Waverton NSW 2060

**Note 16 Members' Guarantee**

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the entity. At 31 December 2016 the number of members was 313.

**THE NORTH SYDNEY CLUB LTD TRADING AS WAVERTON NORTH SYDNEY CLUB**  
**ABN: 21 000 218 084**  
**DIRECTORS' DECLARATION**

The directors have determined that the company is a reporting entity that does not have public accountability as defined in AASB 1053: Application of Tiers of Australian Accounting Standards and that these general purpose financial statements should be prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.

In accordance with a resolution of the directors of The North Sydney Club Ltd Trading as Waverton North Sydney Club, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 15, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - (b) give a true and fair view of the financial position of the company as at 31 December 2016 and its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

Director



*Terence Pride*

Dated this

11 May 2017



**HOUSTON & CO Pty Limited**  
Chartered Accountant

Owen Houston CA

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Crows Nest NSW 2065

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**THE NORTH SYDNEY CLUB LTD TRADING AS WAVERTON NORTH SYDNEY CLUB**  
**ABN: 21 000 218 084**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**THE NORTH SYDNEY CLUB LTD TRADING AS WAVERTON NORTH SYDNEY CLUB**

**Report on the Financial Report**

We have audited the accompanying financial report of The North Sydney Club Ltd Trading as Waverton North Sydney Club, which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

*Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgment, 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 of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

*Independence*

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of The North Sydney Club Ltd Trading as Waverton North Sydney Club, would be in the same terms if given to the directors as at the time of this auditor's report.

*Other Matters*

*Inherent Uncertainty Regarding Continuation as a Going Concern*

Without qualification to the opinion expressed below, attention is drawn to the following matters:

- i) as a result of the matters described in Note 1(n) and
- ii) a contingent liability referred to in Note 10

there is significant uncertainty whether the company will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

*Opinion*

In our opinion, the financial report of The North Sydney Club Ltd Trading as Waverton North Sydney Club is in accordance with Corporations Act 2001, including:

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

Auditor's signature:

Owen Houston

Address:

Suite 4, 113 Willoughby Road Crows Nest NSW 2065

Dated this

12 May 2017