



WOOLGOOLGA RETURNED SERVICES CLUB LIMITED

ACN 001 062 620 ABN 54 001 062 620

2017/2018

ANNUAL REPORT

For year ending 30th June 2018

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED

2017/2018 ANNUAL REPORT

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Woolgoolga Returned Services Club Limited will be held at the Woolgoolga Returned Services Club Limited, 17 Beach St. Woolgoolga at 10.30 am, Sunday 30th September 2018.

AGENDA

1. To confirm the minutes of the Annual General Meeting held Sunday 24 September 2017.
2. To receive and consider the Annual Report for the 12 month period ended 30th June 2018.
3. To consider and, if thought fit, to pass the following Ordinary Resolution of which proper notice has been given.

1 Ordinary Resolution

The Members hereby approve expenditure by the Club in a sum not exceeding \$20,000.00 over the following twelve months for the following expenses subject to Board Approval by the Board of Directors.

- (i) The reasonable cost of a meal and beverage for each Director before or after a Board or Committee Meeting, on the day of that meeting when this coincides with a normal meal time.
- (ii) Reasonable expenses incurred by Directors either within the Club or elsewhere in relation to such other duties including entertainment of special guests of the Club and other promotional activities approved by the Board on production of documentary evidence of such expenditure.
- (iii) Reasonable expenses of Directors attending functions with spouses where appropriate and required to represent the Club.
- (iv) The provision of blazers and associated apparel for the use of Club Directors when representing the Club.

The members acknowledge that the benefits above are not available to Members generally but only for those who are Directors of the Club.

4. Any other business of which proper notice has been given.
(Any questions relating to the Annual Report should be put in writing to the Secretary Manager at least five clear days prior the meeting. Copies of the annual report are available at the Registered Club Premises or on the Club Website.)
5. To receive recommendations to the incoming Board.

By order of the Board of Directors.

Glenn Buckley.

Secretary Manager.

7 September 2018.

PRESIDENTS REPORT 2018

It is with pleasure on behalf of the Board of Directors to present my annual report for the financial year ending 30 June 2018

Secretary Manager Glenn Buckley has done an exceptional job in trying to attain a turnaround of our fortunes and although we have had a slightly improved year we again end up with a loss of \$397,263.00

Since we went into the venture to build the over 55's units on 5 and 7 Beach Street our situation changed and the banks changed their lending rules which made it untenable for us to go it alone to build.

We needed to expand our horizons so "Woolgoolga Returned Services Club"(our core business) wasn't going to suffer.

So we have agreed to a joint venture of sorts with a company called Lincoln Place to build these units. Lincoln Place will take over the building of the units at their cost and we will retain 40% of all future deferred management fees from the development.

This entailed them acquiring the above said land (5 and 7 Beach street), under club constitution article 33.3 (j).

The Motel will be owned by them and we will be paid a management fee. We retain all staff that is presently employed there.

When stage 2 and 3 are due to be built the Motel will be demolished as was always the plan. This will be approximately 2 years at least.

By this time we will be in a better position to decide on the best way forward to replacing the Motel on the Eastern side of the club.

Mrs. Daphne Parker is doing an excellent job as assistant secretary to Glenn, as she continues to assist in the smooth running of the club and keeps the books in order.

Julie, our front desk operator and office assistant, is a good ambassador in the first line of greeting our members and guests and is a wealth of information to answer all those many general knowledge questions that are asked.

I would like to specially thank all staff in all areas the bar, gaming, restaurant, cleaning/security, golf club and motel. You have all done a terrific job in a difficult year.

All our staff continue to serve our customers in the friendly and courteous manner that the club is renowned for.

I would like to personally thank all management and staff for their diligence and the courteous manner in which they conduct themselves. Thank you.

Thank you to Don & his Golf Club Committee for their running the game of golf and funding for the cart paths

The Ladies Golf Committee for their input into the improvements to amenities from funds they collect from raffles and special thanks for their donation of \$900.00 towards the "Farmer's drought relief fund".

Most of all I thank our loyal members & visitors who use their club as their regular venue. We value your patronage and try to give back to the members, in prizes as much as we can. Thank you for your support.

I thank Graeme Geyson and his committee from the Sub Branch for working in harmony with the Board of Directors, Management & Staff, especially on Anzac day which is their very special day.

To all members who are sick; I wish them a speedy recovery & my sincere condolences to all who have lost a loved one

LEST WE FORGET

T.W.GOLDTHORPE, President

WOOLGOOLGA RSL SUB BRANCH PRESIDENT'S REPORT 2018

It is with pleasure that I present my report for 2018. Our main events of Remembrance Day and ANZAC Day were, as usual a great success with the public continuing to support these events in great numbers, especially the ANZAC Day Dawn Service, the march and the Commemorative Service. It is worth remembering that these events would not be possible without the existence of the Woolgoolga RSL sub-Branch. The other essential support for these events continues from the Returned Services Club Ltd, the Defence Cadets, the Woolgoolga RFS, the Uniting Church, the Chaplain, the Pipes and Drums, the police, other participants and of course our own members who give their time selflessly. I sincerely thank them all.

My job as President is made that much easier with the support of our Vice Presidents Greg Jackson and Rob Wake, our Secretary Allan Crouch OAM RFD, our Treasurer Cherrylle Powell, our welfare Officers Allan Crouch OAM RFD and Dick Frost, our Museum Director Glen Rogan and Geoff Morrow our Publicity Officer. It is without a doubt that the sub-Branch would not exist without these members volunteering for these positions and I sincerely thank them for their time and effort. It would be remiss of me not to mention our Affiliate members who continue to support our functions, especially the ANZAC Day breakfast and luncheon. Thank you, ladies. Next ANZAC Day will be minus one of our staunch supporters in Andrew Fraser. Andrew is not contesting his seat in the March 2019 State elections. Andrew has always supported the Veteran community and generally has a yarn to spin during drinks after the Dawn Service. Thank you Andrew.

Our Treasurer Cherrylle continues keeping our finances intact and our books aligned. With the turmoil within the RSL NSW and their decision to cease all fund raising our funds have dwindled somewhat but we've been able to survive and will continue to survive. Allan and Dick continue to attend our fallen in funeral services and their support to families of our deceased members. They also continue to visit our sick and infirmed members and offer friendship and support. A job well done and my sincere thanks.

We continue to work in unison with the Woolgoolga Returned Services Club Ltd and I would like to thank the CEO Glenn Buckley, his assistant CEO Daphne Parker, the receptionist Julie White and all the bar and kitchen staff for their assistance throughout the past year. In addition, I would like to thank Club President Trevor Goldthorpe and the Board of Directors for their continued support.

Finally, our sub-Branch offers our condolences to the families and friends of all of those who have passed on in the last year. To all our members and friends who are in hospitals and nursing homes, you are always in our thoughts.

LEST WE FORGET.

GRAEME GEYSON
President

WOOLGOOLGA RETURNED SERVICES MENS GOLF CLUB PRESIDENTS REPORT 2018

Our club has experienced good participation this year due to the recent drought.

Although the drought has caused havoc with farmers, for golfers, good weather and no rain means great golfing conditions.

Our competition levels have been excellent with our Wednesday competition now averaging over 80 players with our Saturday competition consistently having fields of over 100 players.

Our committee is happy to report that with the increase of player participation we have been able to contribute over \$58,000 towards course improvements, with cart paths construction being the major cost, also recently on top of our fiscal year contribution we recently paid a further \$17,000 on machinery which was purchased from James Packers golf course Ellerston at a very good price, and I wish to thank Harley Copeland for his involvement in getting this deal done.

Also from Saturday 8th September our club will take another significant step in our progress of golf administration by introducing electronic time sheet for booking in for golf, basically this means that members will now be able to log on at home or on their phone to book a game in the days competition, also our web site will be updated to allow live scoring which means if you have recorded a competitive score you may log in and see what other scores people have had.

I wish to thank Terry Perfrement our professional for his amazing involvement with all aspects of our golf administration, also Steve Geyson and his staff for presenting the course in great condition which clearly determines player numbers.

DON PENSON.

President Woolgoolga Returned Services Golf Club

WOOLGOOLGA RETURNED SERVICES WOMEN'S GOLF CLUB

PRESIDENTS REPORT 2017

I would like to welcome our new committee for 2018 and wish them all the best for the rest of the year.

I have enjoyed my time as President for the last 2 years and would like to take this opportunity to thank the previous committee, who have all contributed to the success of our Club.

Special thanks to our secretary Marian who keeps us up to date with all the calendar events. We are also very fortunate that Leanne has taken on the Captaincy role again with all her knowledge and know – how, and Meryl for keeping our finances in order.

We have had another great year with our Members, who are always very accommodating with our raffle prizes and bringing a plate on special occasions. They are all a great bunch of girls who enjoy the socializing as well as playing golf.

I would like to mention that it's that time of year again for our Ladies Championships so good luck to all our members, also our Pennants team are currently in the finals with one more game to go so good luck to them.

We are lucky enough to be holding the Vets competition in July which will be a big boost for our Club and will attract golfers from a number of areas in the state.

It is great to have a few more pathways done this year. There has been a few upgrades in the course – especially the Ladies 8th tee and 5th hole drain, and a lot more improvements made around the greens, so a special thanks to Steve Geyson and his team.

Lastly we would like to let our Pro, Terry Perfrement know we really appreciate his support in a lot of our fundraising events. He is always so generous and happy to help us with any concerns and of course the Bar Staff who always look after us.

LYN REILLY

Club President

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

**WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

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WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

Your directors present their report on the company for the financial year ended 30 June 2018.

Principal Activities

The principal activities of the Club during the financial year were to promote and conduct the game of golf and such other sports, games, amusements, entertainments and entertainers, pastimes and recreation (indoor and outdoor) as the Club may deem expedient.

The principal activities of the Club have provided the funding to achieve the goals that have been reached and that funding will continue to provide the means by which the Club will meet its future goals.

Short and Long Term Objectives of the Company

In the short term the company will:

- Continue to provide the activities that make up the principal activities of the company
- Provide entertainment, food and beverages for the community at reasonable prices
- Encourage new membership
- Improve profitability and efficiency of club operations
- Derive income to support local sporting groups and charitable organisations

In the longer term the company will:

- Ensure facilities continue to cater for members' needs
- Maintain financial stability for the Club
- Develop the assets of the Club to provide viable and alternative streams of income for the betterment of the Club
- Continue to seek alternative sources of income away from the core business of the Club

Strategies for achieving the objectives

The strategy to achieve the short and long term objectives of the Club is through the provision of effective corporate governance including:

- Making decisions that are consistent with the Club's role/purpose and the interests of the members
- Ensuring the Club's business is conducted ethically and transparently
- Compliance with any relevant legislative industrial and administrative requirements
- Through support of the community
- Measuring/ monitoring the profitability and efficiency of core trading activities
- Obtaining value for club money spent by avoiding waste and extravagance in the use of club resources
- Providing value for money to members and guests
- Providing a safe, healthy and discrimination free club environment

Performance Measures

The following measures are used within the Company to monitor performance.

As per Clubs NSW code of practice guidelines for assessing club performance and benchmarking, including but not limited to:

- Assessing profitability through EBITDA
- Membership numbers
- Revenue centre profit benchmarking such as GP%
- Wages as a percentage of sales
- Assessing return on investment with regards to all expenditure

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

Directors' Information

Directors

The names of the directors in office at any time during, or since the end of, the year and the period that each director has been in office:

Directors Name	Special Responsibilities	Period as Director	Qualifications and Experience
T. Goldthorpe	President	Appointed 15 March 1983	Retired Refrigeration Engineer
M. Hussey	Senior Vice President	Appointed 30 September 2003	Retail Storeperson
G. Jackson	Junior Vice President	Appointed 26 September 2000	Retired Logistics Operator
G. King	Associate Director	Appointed 29 November 2007	Bachelor of Education Retired School Principal
P. Clark	Associate Director	Appointed 29 September 2013	Bachelor of Education School Principal
E. Clatworthy	Director	Appointed 28 September 2004 Resigned 21 September 2017	Retired Electrical Contractor
K. Mavin	Director	Appointed 21 September 2017	Security Officer

Meetings of Directors

During the financial year, 12 regular meetings and 3 special meetings of directors were held and the attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
T. Goldthorpe	15	14
M. Hussey	15	14
G. Jackson	15	13
G. King	15	13
P. Clark	15	14
E. Clatworthy	3	3
K. Mavin	11	11

Core and Non-Core Property

Core property is defined as any real property owned by the Club that comprises the defined premises of the Club or any facilities provided by the Club for the use of members and their guests. Core property of the Club consists of the land occupied by the clubhouse and carparks at 17 Beach St, Woolgoolga NSW. Non core property of the Club means any real property owned by the Club that is not core property. Non core property consists of 5 and 7 Beach St Woolgoolga NSW.

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

Membership Details

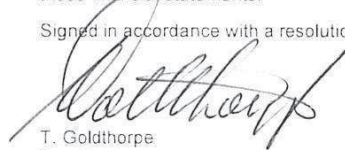
The Woolgoolga Returned Services Club Limited is a public company limited by guarantee and no shares or options are issued. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the company.

Membership Class	Number of Members	Individual Members Contribution on winding up of Company	Total Members Contribution on winding up of Company
Ordinary	71	\$ 2	\$ 142
Associate	1,278	\$ 2	\$ 2,556
Life	1	\$ 2	\$ 2
Golf - Male	173	\$ 2	\$ 346
Golf - Female	35	\$ 2	\$ 70
Golf - Junior	3	\$ 2	\$ 6
Total	1,561	\$ 2	\$ 3,122

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to these financial statements.

Signed in accordance with a resolution of the Board of Directors


T. Goldthorpe
President


G. King
Director

Dated 7/9/18



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(PO Box 919)
Coffs Harbour NSW 2450

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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
WOOLGOOLGA RETURNED SERVICES CLUB LIMITED

In relation to our audit of the financial report of Woolgoolga Returned Services Club Limited for the year ended 30 June 2018, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

HQB Chartered Accountants

A handwritten signature in black ink, appearing to read 'James Davis', written over a light blue horizontal line.

James Davis – Partner in HQB Chartered Accountants

13-15 Park Avenue
Coffs Harbour
Dated: 7/9/2018

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WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Sales revenue	4	1,951,630	2,054,281
Cost of goods sold	5	<u>(770,166)</u>	<u>(819,376)</u>
Gross profit		1,181,464	1,234,905
Other revenue	4	3,406,501	3,306,085
Advertising and promotional expenses		(36,851)	(34,072)
Depreciation expense	5	(389,185)	(276,617)
Employee benefits expense		(2,459,852)	(2,460,709)
Occupancy costs		(504,510)	(564,011)
Other expenses		<u>(1,640,985)</u>	<u>(1,672,892)</u>
Loss before income tax expense		(443,418)	(467,311)
Income tax benefit	6	<u>46,155</u>	<u>(13,894)</u>
Profit after income tax benefit		<u>(397,263)</u>	<u>(481,205)</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(397,263)</u>	<u>(481,205)</u>

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	248,532	239,924
Trade and other receivables	8	32,281	29,602
Inventories	9	36,561	41,276
Other current assets	10	73,786	64,815
		391,160	375,617
Non-current assets classified as held for sale	11	1,762,695	-
TOTAL CURRENT ASSETS		2,153,855	375,617
NON CURRENT ASSETS			
Financial assets	12	2,254	2,254
Property, plant and equipment	13	2,061,437	4,108,032
Deferred tax assets	18	-	237,138
Intangible assets	14	924,600	924,600
TOTAL NON CURRENT ASSETS		2,988,291	5,272,024
TOTAL ASSETS		5,142,146	5,647,641
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	882,484	1,027,188
Borrowings	16	717,825	454,123
Provisions	19	518,954	491,936
Other liabilities	20	86,850	84,287
TOTAL CURRENT LIABILITIES		2,206,113	2,057,534
NON CURRENT LIABILITIES			
Borrowings	16	68,434	36,580
Deferred tax liabilities	18	-	283,293
Provisions	19	14,065	19,437
TOTAL NON CURRENT LIABILITIES		82,499	339,310
TOTAL LIABILITIES		2,288,612	2,396,844
NET ASSETS		2,853,534	3,250,797
EQUITY			
Retained earnings		2,853,534	3,250,797
TOTAL EQUITY		2,853,534	3,250,797

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Retained Earnings \$	Total \$
Balance at 1 July 2016	3,732,002	3,732,002
Loss after income tax expense	<u>(481,205)</u>	<u>(481,205)</u>
Balance at 30 June 2017	<u>3,250,797</u>	<u>3,250,797</u>
Loss after income tax expense	<u>(397,263)</u>	<u>(397,263)</u>
Balance at 30 June 2018	<u>2,853,534</u>	<u>2,853,534</u>

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		5,687,432	5,827,525
Payments to suppliers		(5,825,851)	(6,166,691)
Interest Received		509	5,090
Interest Paid		(36,773)	(27,379)
Dividends Received		225	172
Net cash used in operating activities	17 (a)	(174,458)	(361,283)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	5,454
Proceeds from sale of intangible assets		-	120,000
Purchase of property, plant and equipment		(112,490)	(336,702)
Net cash used in investing activities		(112,490)	(211,248)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		315,144	42,804
Repayment of borrowings		(19,588)	(5,610)
Net cash provided by financing activities		295,556	37,194
Net increase (decrease) in cash held		8,608	(535,337)
Cash at the beginning of the financial year		(159,693)	375,644
Cash at the end of the financial year	7 (a)	(151,085)	(159,693)

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements cover Woolgoolga Returned Services Club Limited as an individual entity. Woolgoolga Returned Services Club Limited is a public company limited by guarantee, incorporated and domiciled in Australia.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

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 principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1 (q).

Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Income Tax

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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 (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside 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, and their measurement also reflects the manner in which management expects to recover or settle 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.

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 1: Statement of Significant Accounting Policies (continued)

(a) Income Tax (continued)

Current tax assets and liabilities are offset where a legally enforceable right to set-off exists and is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, and the deferred tax assets and liabilities relates to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value on a first-in, first-out basis.

(c) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at cost less depreciation and impairment losses.

Plant and Equipment

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

The carrying amount of 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 expected net cash flows which 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 the recoverable amounts.

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 company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line 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 lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings and Improvements	2.5 - 7.5%
Plant and equipment	11 - 65%
Poker machine equipment	26%
Motor vehicles	15 - 25%

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 1: Statement of Significant Accounting Policies (continued)

(c) Property, Plant and Equipment (continued)

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's 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 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.

(d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified as 'fair value through profit and loss' in which case transactions costs are expensed to the statement of comprehensive income immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. 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 the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest rate method.

The effective interest rate 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 the statement of comprehensive income.

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.

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 1: Statement of Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

(i) Financial assets at fair value through profit and loss.

Financial assets are classified as 'fair value through profit and loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in the profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss through the amortisation process and when the financial asset is derecognised.

(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 investment to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being 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.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into the profit or loss.

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

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss through the amortisation process and when the financial liability is derecognised.

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 1: Statement of Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

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

(e) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. 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 value. Any excess of the asset's carrying value of its recoverable amount is expensed to the statement of comprehensive income.

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

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

(f) Intangibles

Poker Machine Entitlements

The poker machine entitlements shown in the accounts represent licences purchased by the Club. The company holds other poker machine entitlements that have a market value. If the company were to be wound up or the number of entitlements were in excess of requirements then the poker machine entitlements would be able to be sold at the prevailing market price. Poker machine entitlements are intangible assets classified with an indefinite life. The intangible asset is subject to annual impairment testing to the higher of fair value less related costs to sell and value in use.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 1: Statement of Significant Accounting Policies (continued)

(g) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. 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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

(h) Provisions

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(i) 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 within short-term borrowings in current liabilities on the statement of financial position.

(j) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvements in those goods.

Interest revenue is recognised using the effective interest rate 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 (GST).

(k) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within the entity's normal operating cycle are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 1: Statement of Significant Accounting Policies (continued)

(l) Trade and Other Payables

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

(m) Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(n) Goods and Services Tax

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 the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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.

(o) Comparative Figures

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

(p) Going Concern

Notwithstanding the net loss from operating activities, the financial statements have been prepared on a going concern basis.

(q) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 1: Statement of Significant Accounting Policies (continued)

(q) Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1 (g), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(r) Rounding of amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument amounts in the Directors' report and financial report have been rounded off to the nearest dollar.

Note 2: New, revised or amending Accounting Standards and Interpretations adopted

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The company has decided not to early adopt any of new and amended pronouncements and that they would not have any material effect on the company's financial statements.

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
Note 4: Revenue		
Operating activities:		
Sale of goods:		
Bar trading - Main club	723,713	776,676
Bar trading - Golf club	675,494	656,073
Restaurant trading	<u>552,423</u>	<u>621,532</u>
	<u>1,951,630</u>	<u>2,054,281</u>
Other revenue:		
Poker machines trading	1,972,736	1,710,384
TAB and Keno commissions	82,425	84,387
Health Club	75,154	68,410
Golf club operation	419,627	461,907
Motel operations	450,475	521,167
Membership subscriptions	28,329	29,074
Sub Clubs	103,511	86,446
Sundry income	<u>280,715</u>	<u>336,165</u>
Total revenue from operating activities	<u>3,412,972</u>	<u>3,297,940</u>
Non-operating activities:		
Dividends received	225	-
Interest received from other persons	509	5,090
(Loss)/Profit on sale of fixed assets	<u>(7,205)</u>	<u>3,055</u>
Total revenue from non-operating activities	<u>(6,471)</u>	<u>8,145</u>
Total revenue	<u>5,358,131</u>	<u>5,360,366</u>
Note 5: Profit/(Loss) Before Income Tax Expense		
Significant expenses		
Cost of sales	770,166	819,376
Depreciation expense	389,185	276,617
Note 6: Income Tax Revenue/Expense		
Reconciliation of prima facie tax refundable on profit/(loss) to income tax		
Prima facie tax payable on loss	(121,940)	(128,511)
Less: Tax effect of;		
Principle of mutuality and non assessable income and non deductible expenses	(46,155)	13,894
Add:		
Tax losses not recognised as deferred tax assets	<u>121,940</u>	<u>128,511</u>
Income tax expense/(revenue) attributable to the company	<u>(46,155)</u>	<u>13,894</u>

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

		2018 \$	2017 \$
Note 7: Cash and Cash Equivalents	Note		
Cash on hand		63,446	66,016
Cash at bank		123,646	105,182
Sub club accounts		61,440	68,726
		<u>248,532</u>	<u>239,924</u>

(a) Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents		248,532	239,924
Bank overdrafts	16	<u>(399,617)</u>	<u>(399,617)</u>
		<u>(151,085)</u>	<u>(159,693)</u>

There are no restrictions with respect to access to the cash and cash equivalents

Note 8: Trade and Other Receivables

CURRENT

Trade receivables		9,201	12,290
Other receivables		23,080	17,312
		<u>32,281</u>	<u>29,602</u>

Note 9: Inventories

CURRENT

Stock on Hand, at cost:

Bar		29,668	31,540
Restaurant		6,893	9,736
		<u>36,561</u>	<u>41,276</u>

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
Note 10: Other Assets		
CURRENT		
Prepayments	68,036	64,815
GST receivable	5,750	-
	<u>73,786</u>	<u>64,815</u>
Note 11: Non-current assets classified as held for sale		
CURRENT		
Freehold land	990,082	-
Coastal Cove	428,621	-
Buildings - Motel	343,992	-
	<u>1,762,695</u>	<u>-</u>
Non-current assets classified as held for sale relate to Diggers Rest Motel, 7 Beach Street, Woolgoolga, for which a contract for sale was signed before the year end with settlement expected post year end. The sales price has been agreed at \$1.8m.		
Note 12: Financial assets		
NON-CURRENT		
Available-for-sale financial assets:		
- shares in listed corporations, at fair value	<u>2,254</u>	<u>2,254</u>
Note 13: Property, Plant & Equipment		
NON-CURRENT		
Land and Buildings (at cost)		
Freehold land	-	990,082
Buildings	3,258,677	3,947,842
Less: Accumulated depreciation	<u>(1,573,147)</u>	<u>(1,882,972)</u>
	1,685,530	2,064,870
Coastal Cove	-	420,528
Total Land and Buildings	<u>1,685,530</u>	<u>3,475,480</u>
Plant and Equipment (at cost)		
Motor vehicles	48,866	48,866
Less: Accumulated depreciation	<u>(30,060)</u>	<u>(25,286)</u>
	18,806	23,580
Plant and equipment	2,624,007	2,943,303
Less: Accumulated depreciation	<u>(2,266,906)</u>	<u>(2,334,331)</u>
	357,101	608,972
Total Plant and Equipment	<u>375,907</u>	<u>632,552</u>
Total Property, Plant and Equipment	<u>2,061,437</u>	<u>4,108,032</u>

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

		2018	2017
		\$	\$
(a) Movements in carrying amounts			
	Land and Buildings \$	Plant and Equipment \$	Total \$
Balance at the beginning of the year	3,475,480	632,552	4,108,032
Additions	99,796	12,695	112,491
Disposals	(58)	(7,146)	(7,204)
Transfers	(1,762,696)	-	(1,762,696)
Depreciation expense	<u>(126,992)</u>	<u>(262,194)</u>	<u>(389,186)</u>
Carrying amount at the end of the year	<u>1,685,530</u>	<u>375,907</u>	<u>2,061,437</u>

(b) There is a registered mortgage over 2 properties owned by the company.

(c) No impairment has been recognised in respect of plant and equipment.

Note 14: Intangible Assets

Poker machine entitlements (at cost)	924,600	924,600
Less: accumulated impairment losses	<u>-</u>	<u>-</u>
	<u>924,600</u>	<u>924,600</u>

Poker Machine Entitlements

Poker machine entitlements are assessed as having an indefinite useful life. The measurement and recognition criteria is outlined in note 1 to the financial statements.

Poker machine entitlements have been impairment tested using calculations of the higher of fair value, less costs to realise, and value in use. The directors believe that the carrying amount of poker machine entitlements are not impaired and annual impairment testing has been conducted at 30 June 2018.

Note 15: Trade and Other Payables

CURRENT

Unsecured liabilities:

Trade payables	117,238	128,937
Income in advance	451,200	620,400
Sundry payables and accrued expenses	<u>314,046</u>	<u>277,851</u>
	<u>882,484</u>	<u>1,027,188</u>

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
Note 16: Borrowings		
CURRENT		
Secured liabilities:		
Bank overdraft	399,617	399,617
Premium loan funding	36,187	35,726
Loan - CBA	5,998	5,610
Lease liability	11,721	13,170
Lincoln Place loan	260,000	-
Solar panel loan	4,302	-
	<u>717,825</u>	<u>454,123</u>
NON-CURRENT		
Secured liabilities:		
Loan - CBA	3,012	9,818
Lease liability	15,041	26,762
Solar panel loan	50,381	-
	<u>68,434</u>	<u>36,580</u>
Total Borrowings	<u>786,259</u>	<u>490,703</u>
(a) Total current and non-current secured liabilities:		
Bank overdraft	399,617	399,617
Insurance premium funding	36,187	35,726
Loan - CBA	9,010	15,428
Lease liability	26,762	39,932
Lincoln Place loan	260,000	-
Solar panel loan	54,683	-
	<u>786,259</u>	<u>490,703</u>

(b) Guarantees

The Commonwealth Bank of Australia have provided a guarantee of \$5,000 (2017: \$5,000) to TAB Limited for the Clubs TAB operations.

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
Note 17: Cash Flow Information		
(a) Reconciliation of cash flow from operations with loss after income tax		
Loss from ordinary activities after income tax expense	(397,263)	(481,205)
Adjustments for :		
Non Cash flows in profit from ordinary activities:		
Depreciation	389,185	276,617
Loss/(Profit) on sale of fixed assets	7,205	(42,655)
Changes in Assets and Liabilities:		
(Increase)/decrease in trade and other receivables	(2,679)	(11,733)
(Increase)/decrease in inventories	4,715	10,208
(Increase)/decrease in prepaid expenses	(8,971)	(26,847)
(Increase)/decrease in deferred tax	(46,155)	13,894
Increase/(decrease) in income in advance	(169,200)	(169,200)
Increase/(decrease) in creditors and accruals	24,496	19,122
Increase/(decrease) in provisions	21,646	29,131
Increase/(decrease) in other liabilities	2,563	21,385
	<u>(174,458)</u>	<u>(361,283)</u>

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
Note 18: Tax assets and liabilities		
(a) Liabilities		
NON-CURRENT		
Deferred tax liability	<u>-</u>	<u>283,293</u>
(b) Assets		
CURRENT		
Income tax	<u>-</u>	<u>-</u>
NON-CURRENT		
Deferred tax asset	<u>-</u>	<u>237,138</u>

(c) Movement in deferred tax asset and liability is as follows:

	Opening Balance \$	Charged Directly to Income Statement \$	Closing Balance \$
Deferred tax liability			
Prepayments	2,085	3,828	5,913
Poker machine entitlements	<u>301,500</u>	<u>(24,120)</u>	<u>277,380</u>
Balance at 30 June 2017	<u>303,585</u>	<u>(20,292)</u>	<u>283,293</u>
 Prepayments	 5,913	 (5,913)	 -
Poker machine entitlements	<u>277,380</u>	<u>(277,380)</u>	<u>-</u>
Balance at 30 June 2018	<u>283,293</u>	<u>(283,293)</u>	<u>-</u>

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 18: Tax assets and liabilities (continued)

	Opening Balance \$	Charged Directly to Income Statement \$	Closing Balance \$
Deferred tax asset			
Provisions - employee benefits	31,076	15,580	46,656
Income in Advance (TAB)	236,880	(50,760)	186,120
Accruals and other items	3,368	994	4,362
Balance at 30 June 2017	271,324	(34,186)	237,138
Provisions - employee benefits	46,656	(46,656)	-
Income in Advance (TAB)	186,120	(186,120)	-
Accruals and other items	4,362	(4,362)	-
Balance at 30 June 2018	237,138	(237,138)	-

Note: Both Deferred Tax Asset and Deferred Tax Liability positions were reversed in the year to 30 June 2018 due to the presence of sufficient carried forward tax losses to eliminate any expectation of future income tax.

Note 19: Provisions

	Employee Benefits \$	Total \$
Opening balance at 1 July 2017	511,372	511,372
Net amounts used	21,647	21,647
Balance at 30 June 2018	533,019	533,019
Analysis of total provisions	2018 \$	2017 \$
Current	518,954	491,936
Non-current	14,065	19,437
	533,019	511,373

Provision for employee benefits

A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in note 1 to this report.

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Note 20: Other Liabilities			
CURRENT			
Subscriptions received in advance		<u>86,850</u>	<u>84,287</u>
		<u>86,850</u>	<u>84,287</u>
Note 21: Capital and Leasing Commitments			
(a) Finance Lease Commitments			
Payable - minimum lease payments:			
- not later than 12 months		<u>16,023</u>	<u>13,170</u>
- between 12 months and five years		<u>65,422</u>	<u>26,762</u>
Minimum lease payments	16 (a)	<u>81,445</u>	<u>39,932</u>
(b) Operating Lease Commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements.			
Payable - minimum lease payments:			
- not later than 12 months		<u>50,000</u>	<u>50,000</u>
- between 12 months and five years		<u>185,221</u>	<u>185,221</u>
		<u>235,221</u>	<u>235,221</u>
(c) Capital Expenditure Commitments			
As at 30 June 2018, the company had not engaged in any capital commitments.			

Note 22: Events After the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018	2017
		\$	\$
Note 23: Financial Risk Management			
The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and leases.			
The totals for each category of financial instrument measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:			
Financial assets			
Cash and cash equivalents	7	248,532	239,924
Loans and receivables	8	32,281	29,602
Available-for-sale financial assets, at fair value	12	2,254	2,254
		283,067	271,780
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	15	882,484	1,027,188
Borrowings	16	786,259	490,703
		1,668,743	1,517,891

Note 24: Related Party Transactions

Key Management Personnel

The totals of remuneration paid to key management personnel (KMP) during the year are as follows:

Key management personnel compensation - top 6 staff	549,516	559,639
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Other Related Parties

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

Transactions with related parties were:

Directors Honorariums	-	-
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Note that an amount of \$500 per director was credited to club membership cards in lieu of the expenses incurred by directors in performing their duties.

Note 25: Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the company will be able to continue their trading activities. The company has recognised a loss before income tax of \$443,418 for the year ended 30 June 2018 however as at that date, current liabilities exceed current assets by \$52,258. The Company's ability to continue as a going concern is dependent on a number of factors including the ability of the company to perform in line with budgets and cash flow projections. The Company is currently reviewing their operations and is undertaking new business opportunities in an effort to generate positive cash flows. The Directors have determined that the going concern assumption is appropriate for the preparation of the financial statements.

Note 26: Company Details

The club is incorporated and domiciled in Australia as a company limited by guarantee.

The registered office and principal place of business is:

Woolgoolga Returned Services Club Limited
17 Beach Street
WOOLGOOLGA NSW 2456

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED
ABN 54 001 062 620

**DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2018**

The directors of the company declare that:

1. the financial statements and notes, as set out in pages 5 to 26, are in accordance with the Corporations Act 2001, and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the company;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



T. Goldthorpe
Director



G. King
Director

Dated: 7/9/18

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
WOOLGOOLGA RETURNED SERVICES CLUB LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Woolgoolga Returned Services Club Limited ('the Company'), which comprises the statement of financial position as at 30 June 2018, the 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.

In our opinion, the accompanying financial report is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the financial position of the Company as at 30 June 2018, and of its financial performance and its cash flows for the year then ended
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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. Our responsibilities under those standards are further described in the *Auditor's Responsibility* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter

Without qualifying our audit opinion, we draw attention to Note 25 in the financial report, which discloses that the company incurred a loss before income tax of \$443,418 for the year ended 30 June 2018, and at 30 June 2018 the current liabilities exceeded the current assets by \$52,258. These conditions, along with other matters set out in Note 25, indicate the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore the company may be unable to realise its assets and discharge its liabilities in the normal course of business or for the balances disclosed in the financial report.

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 and the *Corporations Act 2001*, and for such internal control as management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

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 entity'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.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of 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 conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

HQB Chartered Accountants



James Davis – Partner in HQB Chartered Accountants

13-15 Park Avenue
Coffs Harbour
Dated: 7/9/2018