WARILLA SPORTS CLUB LIMITED

ABN: 20 001 077 943

Financial Report For The Year Ended 31 August 2018

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DIRECTORS' REPORT

Your directors present their report on the entity WARILLA SPORTS CLUB LIMITED for the financial year ended 31 August 2018.

General Information
Directors

The following persons were directors of Warilla Sports Club Limited during or since the end of the financial year up to the date of this report:

Clarence Bailey	President (Appointed 27.11.2016) Director of Club since 28.11.2004 Occupation - Retired
John Spinks	Vice-President (Appointed 27/11/2016) Director of Club since 28.11.2010 Occupation - Retired
Stephen Anderson	Treasurer Director of Club since 26.11.2006 Occupation - Operations Manager
David Monaghan	Director of Club since 23.11.2014 Occupation - Labourer
Leanne Shooter	Director of Club since 23.11.2014 Occupation - Development Officer
Paul Ingram	Director of Club since 27.11.2016 Occupation - Mining Engineer
Max van Dongen	Director of Club since 27.11.2016 Occupation - Unemployed

Company Secretary
The following person held the position of company secretary at the end of the financial year:
Mr Gary Leighton held the position of company secretary at the end of the financial year. Mr Leighton performs all management and secretarial roles in all aspects of the business. He was appointed secretary on 27th May 2013.

Principal Activities
The principal activities of the company during the financial year was that of registered club and no significant change in that activity occurred during the year.

Operating Results

The net profit for the year was $51,529 (2017: profit $59,945) after provision for income tax benefit.

The decrease in net profit is mainly attributable by the decrease of operating revenue. The club was still able to meet commitments to community, sporting and charitable organisations, as well as providing members with quality entertainment and facilities at the lowest prices possible, having regard to increasing costs and government charges which continue to burden the club industry.

Significant Changes in Nature of Activities

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.

Future Developments, Prospects and Business Strategies

The short term and long term objectives of the Club is to continue to provide facilities and amenities to members and strengthen the Club's financial position by mainly increasing gaming performance. Support of community organisations and sporting bodies is also considered a Club objective.

The strategy for achieving these objectives is to conservatively manage and monitor the Club's financial position to enable services and amenities to be maintained. The management plans to increase poker machine performance by keeping poker machine games updated. Minimum budget was also set for poker machine purchases.

The Club uses industry accepted KPIs to monitor performance.

After Balance Date Events

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

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Meetings of Directors

Attendances by each director during the year were as follows:

	Attended	Possible
John Spinks	12	12
Clarence Bailey	12	12
Stephen Anderson	12	12
David Monaghan	12	12
Leanne Shooter	12	12
Paul Ingram	12	12
Max van Dongen	12	12

Indemnifying Officers or Auditor

During or since the end of the financial year, the company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

During the year the company has paid premiums to insure each director and officer of the company against costs and expenses incurred by them in defending any legal proceedings arising out of their conduct whilst acting in the capacity of officer of the company other than conduct involving a wilful breach of duty in relation to the company. The amount of premium paid was $1,515.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Members

The number of members of each class registered in the register of members at 31st August, 2018 is as follows:

Life Members	7
Ordinary Members	8,434
	8,441

Life Members of the club are:

A. E. Ward*	C. J. Brett
B. Hughes*	M. R. Pickford*
R. T. Burchell	P. J. Ring*
B. K. Cruthers*	R. E. Pickford*
B. J. O'Malley*	R. W. Jeffree
B. S. Dowd	A. Williams*
W. Balmer	T. Treleaven*
C. Bailey	S. Anderson

* Denotes deceased life member

REMUNERATION REPORT

Remuneration Policy

The Directors of Warilla Sports Club Limited are not financially remunerated for their services.

Performance-based Remuneration

Remuneration of employees is based on award and agreed rates with no reference to performance.

Details of remuneration for year ended 31 August 2018

No director was financially remunerated for their services provided in the 2018 financial year.
No director or employee is remunerated using performance based bonuses.

Options issued as part of remuneration for the year ended 31 August 2018

No options are issued to directors or executives in any form.

Employment contracts of directors and senior executives

No directors are financially remunerated for their services to the club, hence they have no employment contracts. The Club's chief executive officer has a written employment contract with no reference to performance.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 August 2018 has been received and can be found on page 4 of the Financial Report.

Director	Director
Clarence Bailey	***Stephen Anderson***
Dated this	Dated this

AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF WARILLA SPORTS CLUB LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 31 August 2018 there have been no contraventions of:

(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 O'Donnell Hennessy & Co

Name of Partner Spencer Green

Date

Address WOLLONGONG

WARILLA SPORTS CLUB LIMITED ABN: 20 001 077 943
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 $	2017 $
Revenue	2	3,562,608	3,777,268
Other income	2	114,413	115,021
Cost of goods sold	3	(578,555)	(600,933)
Employee benefits expense	3	(898,415)	(932,614)
Finance costs	3	(78,605)	(93,839)
Depreciation and amortisation expense		(449,665)	(419,780)
Other expenses		(1,620,252)	(1,785,178)
Profit before income tax	3	51,529	59,945
Tax expense	4	-	-
Net Profit for the year	3	51,529	59,945
Other comprehensive income:			
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		51,529	59,945

The accompanying notes form part of these financial statements.

WARILLA SPORTS CLUB LIMITED ABN: 20 001 077 943
STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2018

	Note	2018 $	2017 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	251,663	164,119
Trade and other receivables	7	17,244	38,288
Inventories	8	35,026	39,959
Other assets	12	75,415	55,403
TOTAL CURRENT ASSETS		379,348	297,769
NON-CURRENT ASSETS			
Property, plant and equipment	9	4,769,150	4,731,206
Investment property	10	1,034,463	1,034,463
Intangible assets	11	111,637	111,637
TOTAL NON-CURRENT ASSETS		5,915,250	5,877,306
TOTAL ASSETS		6,294,598	6,175,075
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	342,246	309,153
Borrowings	14	574,187	405,406
Provisions	16	117,970	113,973
Income received in advance		55,117	49,652
TOTAL CURRENT LIABILITIES		1,089,520	878,184
NON-CURRENT LIABILITIES			
Borrowings	14	800,750	966,698
Deferred tax liabilities	15	23,052	23,052
Provisions	16	34,743	12,137
TOTAL NON-CURRENT LIABILITIES		858,545	1,001,887
TOTAL LIABILITIES		1,948,065	1,880,071
NET ASSETS		4,346,533	4,295,004
EQUITY			
Reserves	24	103,775	103,775
Retained earnings		4,242,758	4,191,229
TOTAL EQUITY		4,346,533	4,295,004

The accompanying notes form part of these financial statements.

WARILLA SPORTS CLUB LIMITED ABN: 20 001 077 943
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2018

	Retained Earnings	Reserves Revaluation Surplus	Total
	$	$	$
Balance at 1 September 2016	4,131,284	103,775	4,235,059
Comprehensive income			
Profit for the year	59,945	-	59,945
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	59,945	-	59,945
Balance at 31 August 2017	4,191,229	103,775	4,295,004
Balance at 1 September 2017	4,191,229	103,775	4,295,004
Comprehensive income			
Profit for the year	51,529	-	51,529
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	51,529	-	51,529
Balance at 31 August 2018	4,242,758	103,775	4,346,533

The accompanying notes form part of these financial statements.

WARILLA SPORTS CLUB LIMITED ABN: 20 001 077 943
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3,671,723	3,845,764
Payments to suppliers and employees		(3,047,140)	(3,310,600)
Interest received		33	59
Finance costs		(78,605)	(93,839)
Net cash generated by operating activities	20a	546,011	441,384
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		33,729	32,500
Purchase of property, plant and equipment		(495,029)	(267,781)
Net cash (used in)/generated by investing activities		(461,300)	(235,281)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings - other		454,006	179,244
Repayment of borrowings - other		(451,173)	(460,307)
Net cash provided by/(used in) financing activities		2,833	(281,063)
Net increase/(decrease) in cash held		87,544	(74,960)
Cash and cash equivalents at beginning of financial year		164,119	239,079
Cash and cash equivalents at end of financial year	6	251,663	164,119

The accompanying notes form part of these financial statements.

This financial report includes the financial statements and notes of Warilla Sports Club Limited.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual 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.

(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 profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred 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 or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

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.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it 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: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate 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) Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable accounting standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value.

(d) Property, Plant and Equipment

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

Property

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated impairement losses and accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(m) for details of impairment).

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 the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life 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 assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and equipment	5-100%
Poker machines	40%

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 and 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.

(e) Investment Property

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

Fair value of investment properties is determined annually based on a valuation by an independent valuer who has recognised and appropriate professional qualifications and recent experience in the location and category of investment property being valued. Fair values are determined by the valuer using market information, including prices for similar properties in comparable locations.

Changes to fair values of investment properties are recognised in profit or loss in the period in which they occur.

(f) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are 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 lease term.

(g) Financial Instruments

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

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified ‘at fair value through profit or loss’, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Classification and Subsequent Measurement
Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

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 method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over 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 amount with a consequential recognition of an income or expense item in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Company's Accounting Policy.

The company does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss
Financial assets are classified at "fair value through profit or loss" when they are contingent consideration that may be paid by an acquirer as part of a business combination to which AASB 3: Business Combinations applies, 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 amount included in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned from the financial asset and is included in the face of the statement of profit and loss and other comprehensive income.

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

(iv) Available-for-sale investments
Available-for-sale investments 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 profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

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

Contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies is classified as a financial liability and measured at fair value through profit or loss.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For available-for-sale equity instruments, including listed or unlisted shares, objective evidence of impairment includes information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered. A significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment for shares classified as available-for-sale. For all other financial assets, including redeemable notes classified as available-for-sale and finance lease receivables, objective evidence of impairment could include: significant financial difficulty of the issuer or counterparty; breach of contract, such as a default or delinquency in interest or principal payments; it becoming probable that the borrower will enter bankruptcy or financial reorganisation; or the disappearance of an active market for that financial asset because of financial difficulties. For certain categories of financial assets, such as trade receivables, assets that are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.
At the end of each reporting period the Company assessed whether there is any objective evidence that a financial asset or group of financial assets is impaired (other than financial assets classified as at fair value through profit or loss).

Financial Guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract issued by a group entity are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at the higher of: · the amount of the obligation under the contract, as determined in accordance with AASB 137: *Provisions, Contingent Liabilities and Contingent Assets* ; and the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Derecognition

Financial assets are derecognised when 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 when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount 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 profit or loss.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

(h) 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 the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. 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 of disposal 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 (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). 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, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(i) 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 before twelve 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 part of current trade and other payables in the statement of financial position. The company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Defined benefit obligations

The Company provides defined benefit superannuation entitlements to select employees of the Company.

The difference, if any, between the company's obligation for employees' defined benefit entitlements at the end of the reporting period and the fair value of plan assets attributable to the employees at the same date is presented as a net defined benefit liability (asset) in the statement of financial position. The company's obligation for defined benefit entitlements, as well as the related current service cost and, where applicable, past service cost, is calculated at the end of each reporting period by an independent and suitably qualified actuary using the projected unit credit method. In determining the company's obligation for defined benefits, the actuary discounts the present value of the estimated future cash flows attributable to providing the defined benefit entitlements at rates determined by reference to market yields at the end of the reporting period on Australian government bonds that have maturity dates that approximate the terms of the obligation.

Any net defined benefit asset recognised by the company is limited to the present value of economic benefits available in the form of any future refunds from the employees' defined benefit plan or reductions in future contributions in respect of employees with defined benefit entitlements. In calculating the present value of any such potential economic benefits, consideration is given to any minimum funding requirements that apply with respect to the employees' defined benefit entitlements. An economic benefit is considered available to the company if it is realisable during the period of the employees' membership of the plan or on settlement of all the employees' entitlements from plan assets.

The periodic cost of providing defined benefit entitlements is disaggregated and accounted for as follows:

- service cost (including current and past service costs and any gains or losses on settlements or curtailments) is recognised in profit or loss in the period in which it arises as part of employee benefits expense;
- interest on the net defined benefit liability (asset) is calculated by multiplying the average balance of the liability (asset) during the reporting period by the discount rate applied to the defined benefit obligation and is recognised in profit or loss in the period in which it arises as part of finance costs; and
- remeasurements of the net defined benefit liability (asset) (including actuarial gains and losses, the return on plan assets less amounts included in the net interest on the net defined benefit liability (asset), and any changes in the limit on a net defined benefit asset (excluding interest)) are recognised in other comprehensive income (retained earnings) in the periods in which they occur.

Defined contribution superannuation benefits

All employees of the company other than those who receive defined benefit entitlements receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

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

(k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term investments and bank overdrafts. Bank overdrafts are reported within borrowings in current liabilities on the statement of financial position.

(l) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

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 involvement in those goods.

Interest revenue is recognised using the effective interest method.

Revenue relating to construction activities is detailed at Note 1(f).

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

(m) 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 12 months of the end of the reporting period 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 method, less any provision for impairment. Refer to Note 1(l) for further discussion on the determination of impairment losses.

(n) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity 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. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

(o) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production 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 in profit or loss in the period in which they are incurred.

(p) 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.

(q) Comparative Figures

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

Where the company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(r) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements 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.

Key Estimates

(i) Impairment

The company assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key Judgements

(i) Provision for Impairment of Receivables

No provision for impairment has been made.

(ii) Poker machine licences

The entity holds poker machine licences either acquired through a past business combination or granted at no consideration by the NSW Government. AIFRS requires that licences outside of a pre-AIFRS transaction business combination be recognised initially at its fair value as at the date it was granted with a corresponding adjustment to the profit and loss statement to recognise the grant immediately as income. Prior to new gaming legislation taking effect in April 2002 allowing poker machine licences to be traded for the first time, the entity has determined that fair value at grant date for licences granted pre-April 2002 was zero. Should licences be granted to the entity post April 2002 they will be initially recognised at their fair value. The entity has determined that the market value for poker machine licences does not meet the definition of an active market and consequently licences recognised will not be revalued each year.

(s) New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the company, together with an assessment of the potential impact of such pronouncements on the company when adopted in future periods, are discussed below:

— AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The Company has established an AASB 9 project team and is in the process of completing its impact assessment of AASB 9. Based on a preliminary assessment performed over each line of business and product type, the effects of AASB 9 are not expected to have a material effect on the Company.

— AASB 2014-7: *Amendments to Australian Accounting Standards arising from AASB 9* (December 2014)

AASB 2014-7 (issued December 2014) gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issue of AASB 9: Financial Instruments (December 2014). More significantly, additional disclosure requirements have been added to AASB 7: Financial Instruments: Disclosures regarding credit risk exposures of the entity. This Standard also makes various editorial corrections to Australian Accounting Standards and an Interpretation.

AASB 2014-7 mandatorily applies to annual reporting periods beginning on or after 1 January 2018. Earlier application is permitted, provided AASB 9 (December 2014) is applied for the same period.

— AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15)

AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The Company has established an AASB 15 project team and is in the process of completing its impact assessment of AASB 15. Based a preliminary assessment performed over each line of business and product type, the effects of AASB 15 are not expected to have a material effect on the Company.

— AASB 2014-5: *Amendments to Australian Accounting Standards arising from AASB 15*

This Standard is applicable to annual reporting periods beginning on or after 1 January 2017 and makes consequential amendments to various Australian Accounting Standards arising as a result of the issue of AASB 15: Revenue from Contracts with Customers. AASB 2014-5 is not expected to impact the Company's financial statements.

— AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*

This Standard amends the mandatory effective date (application date) of AASB 15: Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. Therefore, this Standard also defers the consequential amendments that were originally set out in AASB 2014-5: Amendments to Australian Accounting Standards arising from AASB 15. This deferral is achieved in a variety of ways because some of the Standards amended by AASB 2014-5 have been superseded by new principal versions issued in 2015 that apply to annual reporting periods beginning on or after 1 January 2017 or 2018. This Standard amends Interpretation 1052: Tax Consolidation Accounting to update the cross-references to Standards and to remove the references to dividends and other distributions, so that the wording of Int 1052.45 is appropriate for annual reporting periods beginning on or after 1 January 2018. AASB 15 is also reformatted to follow the structure of the new principal versions of other Standards by deleting or moving the Aus-numbered “Application” paragraphs.

— AASB 2016-7: *Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities*

This Standard amends the mandatory effective date (application date) of AASB 15 for not-for-profit entities so that AASB 15 is required to be applied by such entities for annual reporting periods beginning on or after 1 January 2019 instead of 1 January 2018.

Therefore, this Standard also defers, for not-for-profit entities, the consequential amendments that were originally set out in AASB 2014-5: Amendments to Australian Accounting Standards arising from AASB 15. This deferral is achieved by restating the effective date of the amendments set out in AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15 as they apply to not-for-profit entities.

Earlier application of AASB 15 is permitted for not-for-profit entities for annual reporting periods beginning before 1 January 2019, provided AASB 1058: Income of Not-for-Profit Entities (Appendix D) is also applied to the same period.

This Standard applies to annual periods beginning on or after 1 January 2017, which was the original mandatory effective date of AASB 15.

— AASB 2016-3: *Amendments to Australian Accounting Standards – Clarifications to AASB 15*

AASB 2016-3 (issued May 2016) makes amendments to AASB 15 to:

— clarify the requirements for assessing whether two or more promises to transfer goods or services to a customer are separately identifiable when identifying performance obligations in accordance with AASB 15.27(b) and the factors indicating this assessment;
— elaborate on the assessment of "control" over goods or services when determining whether an entity is acting as a principal or agent
— clarify the timing of revenue recognition from licensing transactions; and
— extend the application of practical expedients on transition to AASB 15.

— AASB 2016-3 mandatorily applies to annual reporting periods beginning on or after 1 January 2018, with earlier application permitted.

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

— identify the contract(s) with a customer;
— identify the performance obligations in the contract(s);
— determine the transaction price;
— allocate the transaction price to the performance obligations in the contract(s); and
— recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements.

— AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).
When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

— recognition of a right-of-use asset and lease liability for all leases (excluding short-term leases with a lease term of 12 months or less of tenure and leases relating to low-value assets);
— depreciation of right-of-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
— inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
— application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
— inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Company has established an AASB 16 project team and is in the process of completing its impact assessment of AASB 16. Based on a preliminary assessment performed over each line of business and lease type, the effect of AASB 16 is not expected to have a material effect on the Company. It is impracticable at this stage to provide a reasonable estimate of such impact.

Note 2 Revenue and Other Income

	2018 $	2017 $
(a) Revenue		
Sales revenue		
— poker machine revenue	1,822,835	1,973,101
— tab & keno commissions	135,138	109,314
— bar & café sales	1,348,721	1,437,789
Total sales revenue	3,306,694	3,520,204
Other revenue		
— interest received	33	59
— members subscriptions	27,640	29,530
— other commissions & vending machines	101,598	108,872
— social & entertainment	126,643	118,603
Total other revenue	255,914	257,064
Total sales revenue and other revenue	3,562,608	3,777,268
Other income		
— gain on disposal of property, plant and equipment	26,309	13,351
— Rental revenue	46,269	46,549
— poker machines GST compensation	17,180	17,180
— other income	24,655	37,941
Total other income	114,413	115,021
Total income	3,677,021	3,892,289

Note 3 Profit for the Year

	2018 $	2017 $
(a) Expenses		
Cost of sales	578,555	600,933
Interest expense on financial liabilities not at fair value through profit or loss:		
— Unrelated parties	78,605	93,839
Total interest expense	78,605	93,839
Employee benefits expense		
Employee benefits expense	898,415	932,614

Note 4 Tax Expense

The club has carried forward losses.

Note 5 Key Management Personnel Compensation

The totals of remuneration paid to KMP of the company and the Company during the year are as follows:

Clarence Bailey	Director (No remuneration)
Stephen Anderson	Director (No remuneration)
John Spinks	Director (No remuneration)
David Monaghan	Director (No remuneration)
Leanne Shooter	Director (No remuneration)
Paul Ingram	Director (No remuneration)
Max van Dongen	Director (No remuneration)
Gary Leighton	Secretary/General Manager (Remunerated)
Kristie Bicknell	Operation Manager (Remunerated)

	2018 $	2017 $
Total remunerations	238,789	153,601
Total KMP compensation	238,789	153,601

Note 6 Cash and Cash Equivalents

	2018 $	2017 $
Cash on hand	141,187	135,916
Cash at bank	110,476	28,203
	251,663	164,119

Note 7 Trade and Other Receivables

	2018 $	2017 $
CURRENT		
Trade receivables	3,096	1,972
Other receivables	14,148	36,316
Total current trade and other receivables	17,244	38,288

Note 8 Inventories

	2018 $	2017 $
CURRENT		
At cost		
Stock on hand	35,026	39,959
	35,026	39,959

Note 9 Property, Plant and Equipment

	2018 $	2017 $
LAND AND BUILDINGS		
Freehold land at:		
— directors' valuation 1998	150,000	150,000
— at cost	12,150	12,150
Total land	162,150	162,150
Buildings at:		
— directors' valuation 1998	375,000	375,000
— at cost	4,871,341	4,815,100
Accumulated depreciation	(1,504,466)	(1,397,994)
Total buildings	3,741,875	3,792,106
Total land and buildings	3,904,025	3,954,256
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	2,272,529	2,253,525
Accumulated depreciation	(1,951,835)	(1,831,767)
	320,694	421,758
Poker machine		
At cost	2,011,834	1,720,667
(Accumulated depreciation)	(1,491,922)	(1,389,994)
	519,912	330,673
Utensils & crockery		
At cost	24,519	24,519
	24,519	24,519
Total plant and equipment	865,125	776,950
Total property, plant and equipment	4,769,150	4,731,206

(a) **Movements in Carrying Amounts**

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

	Freehold Land $	Buildings $	Plant and Equipment $	Total $
Balance at 1 September 2016	162,150	3,899,984	840,220	4,902,354
Additions	-	-	268,410	268,410
Disposals	-	-	(19,778)	(19,778)
Depreciation expense	-	(107,878)	(311,902)	(419,780)
Balance at 31 August 2017	162,150	3,792,106	776,950	4,731,206
Additions	-	56,241	445,784	502,025
Disposals	-	-	(14,416)	(14,416)
Depreciation expense	-	(106,472)	(343,193)	(449,665)
Balance at 31 August 2018	162,150	3,741,875	865,125	4,769,150

(b) The Company's land and buildings were revalued by Mr G Bird of MMJ Wollongong on 2 June 2014 at $5,170,000. Valuations were made on the basis of open market value.

(c) The company borrowed a bank loan for the purpose to refinance the existing commercial bill. As at 31st August 2018, the company had an outstanding loan balance of $1,042,855.

Note 10 Investment Property

	2018 $	2017 $
Balance at beginning of year	1,034,463	1,034,463
Balance at end of year	1,034,463	1,034,463

Note 11 Intangible Assets

	2018 $	2017 $
Poker machine license entitlements at cost	196,095	196,095
Directors' valuation 2006	(48,458)	(48,458)
Directors' valuation 2008	(36,000)	(36,000)
Total intangible assets	111,637	111,637

The poker machine entitlements are with indefinite useful lives and therefore, will be tested for impairment annually at the cash-generating unit level. The entitlements are not amortised.

Note 12 Other Assets

	2018 $	2017 $
CURRENT		
Prepayments	70,415	50,403
TAB security bond	5,000	5,000
	75,415	55,403

Note 13 Trade and Other Payables

	2018 $	2017 $
CURRENT		
Unsecured liabilities		
Trade payables	121,455	129,585
Sundry payables and accrued expenses	134,363	102,230
GST payables	86,428	77,338
	342,246	309,153

Note 14 Borrowings

	Note	2018 $	2017 $
CURRENT			
Secured liabilities			
Bank loans	14a,c	367,392	348,468
Insurance Loan	14d	28,684	16,860
Finance lease commitments	14g	40,843	36,933
Poker Machine Loan	14e,f	137,268	3,145
Total current borrowings		574,187	405,406
NON-CURRENT			
Secured liabilities			
Bank loans	14a,c	675,463	951,072
Finance lease commitments	14g	14,800	15,626
Poker Machine Loan	14,f	110,487	-
Total non-current borrowings		800,750	966,698
Total borrowings	23	1,374,937	1,372,104

	2018 $	2017 $
(a) Total current and non-current secured liabilities:		
Bank loans	1,042,855	1,299,540
Insurance loan	28,684	16,860
Finance lease commitments	55,643	52,559
Poker machine loan	247,755	3,145
	1,374,937	1,372,104
(b) The carrying amounts of non-current assets pledged as security are:		
Freehold land and buildings	3,904,025	3,954,256
Investment Property	1,034,463	1,034,463
	4,938,488	4,988,719

(c) The loan was refinanced through National Australia Bank. The new loan facility commenced on 16/12/2015 and expires on 31/12/2020. The interest rate is 5.88% fixed for 5 years. As at 31st August 2018, the outstanding loan balance was $1,042,855. The loan is secured over all of the present and future rights, property and undertaking of Warilla Sports Club Ltd including the following properties:

(1) Registered mortgage over property situated at 25 Jason Avenue Barrack Heights NSW more particularly described in Certificate of Title Folio Identifier 183/23882.

(2) Registered mortgage over property situated at 21 Jason Avenue Barrack Heights NSW more particularly described in Certificate of Title Folio Identifier 185/23882.

(3) Registered mortgage over property situated at 23 Jason Avenue Barrack Heights NSW more particularly described in Certificate of Title Folio Identifier 184/23882.

(4) Registered mortgage over property situated at 54 McGregor Avenue Barrack Heights NSW more particularly described in Certificate of Title Volume 14942 Folio 114.

(d) The premium funding agreement was engaged to repay the insurance premiums. The loan will be repaid in 12 months with $4,908 per month commencing 20/3/2018.

(e) The company has engaged with Aristocrat Technologies Australia for the licence fee agreements with repayments of $1,095 per month per machine for 36 months.

(f) The company has engaged with Ainsworth Gaming Technology for the licence fee agreements with repayments of $2,509 per month per machine for 36 months.

(g) The company had an unused facility of $118,089 for the asset finance - leasing through National Australian Bank. Total amount of facility limit was $175,000.

Note 15 Tax

	Opening Balance	Recognised in Profit and Loss	Charged directly to Equity	Changes in Tax Rates	Exchange Differences	Closing Balance
NON-CURRENT	$	$	$	$	$	$
Deferred tax liabilities						
Other	23,052	-	-	-	-	23,052
Balance as at 31 August 2017	23,052	-	-	-	-	23,052
Other	23,052	-	-	-	-	23,052
Balance as at 31 August 2018	23,052	-	-	-	-	23,052

Note 16 Provisions

CURRENT	2018	2017
Employee Benefits	$	$
Provision for annual & sick leave	93,322	90,305
Provision for long service leave	24,648	23,668
Total	117,970	113,973

NON-CURRENT	2018	2017
Employee Benefits	$	$
Provisions for long service leave	34,743	12,137
Total	34,743	12,137

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.

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 have been included in Note 1(r).

Note 17 Capital and Leasing Commitments

		Note	2018 $	2017 $
(a)	**Finance Lease Commitments**			
	Payable — minimum lease payments			
	— not later than 12 months		43,255	39,266
	— between 12 months and 5 years		16,117	15,626
	Minimum lease payments		59,372	54,892
	Less future finance charges		(3,729)	(2,333)
	Present value of minimum lease payments	14	55,643	52,559

(b) A new finance lease facility through National Australia Bank for $44,079 was engaged to fund the acquisition of equipment for the children's playground. The finance lease will be repaid in 24 months with $1,953 per month commencing 6/4/2017. The playground equipment was subsequently sold in September 2018.

(c) A new finance lease facility through National Australia Bank for $57,035 was engaged to fund the acquisition of 3 Poker machines. The finance lease will be repaid in 24 months with $2,302 per month commencing 30/04/2018.

(d) **Capital Expenditure Commitments**

The company has engaged Network Refurbishments & Construction (Chain & Associates Pty Ltd) for the club's refurbishment in May 2018.

The contract with Network was agreed for a total of $702,500 excluding GST.

As at 31st August 2018, the progress payments totalling $21,648 excluding GST had been paid for the DA application, leaving $680,852 excluding GST outstanding as at 31st August 2018.

Note 18 Contingent Liabilities and Contingent Assets

(a) The Company had no contingent liabilities as at 31 August 2018 (2017: none).

(b) The Company has bank guarantees of $12,000 as at 31 August 2018 (2017: $12,000).

Note 19 Operating Segments

The company operates in one industry, the principal activity being that of a licenced club providing gaming bar dining and entertainment facilities for members and their guests. It derives its income from one geographic location being Warilla/Barrack Heights, NSW.

Note 20 Cash Flow Information

	2018 $	2017 $
(a) **Reconciliation of Cash Flows from Operating Activities with Profit after Income Tax**		
Profit after income tax	51,529	59,945
Non-cash flows in profit		
Depreciation	449,665	419,780
Net (gain)/loss on disposal of property, plant and equipment	(26,309)	(13,351)
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	21,044	(33,115)
(Increase)/decrease in prepayments	(20,012)	8,593
(Increase)/decrease in inventories	4,933	(3,221)
Increase/(decrease) in trade payables and accruals	33,093	(6,421)
Increase/(decrease) in income in advance	5,465	20,187
Increase/(decrease) in provisions	26,603	(11,013)
Cash flows from operating activities	546,011	441,384

Note 21 Events After the Reporting Period

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

Note 22 Related Party Transactions

(a) The Company's main related parties are as follows:

i. Key Management Personnel:

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

For details of disclosures relating to key management personnel, refer to Note 5.

Note 23 Financial Risk Management

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

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

	Note	**2018 $**	**2017 $**
Financial Assets			
Cash and cash equivalents	6	251,663	164,119
Loans and receivables	7	17,244	38,288
Total Financial Assets		268,907	202,407
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	13	342,246	309,153
— Borrowings	14	1,374,937	1,372,104
Total Financial Liabilities		1,717,183	1,681,257

Financial Risk Management Policies

The Directors' overall risk management strategy seeks to assist the company in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk, and market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity and equity price risk). There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the entity.

Credit risk is managed through the maintenance of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the company, credit terms are generally 0 to 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the FOC has otherwise assessed as being financially sound. Where the Company is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held is equivalent to the carrying amount (net of any provisions) as presented in the statement of financial position.

Collateral held by the entity securing receivables are detailed in Note 7(d).

The entity has no significant concentration of credit risk with any single counterparty or group of counterparties. However, on a geographic basis, the entity has significant credit risk exposures to Australia and the United Kingdom given the substantial operations in those regions. Details with respect to credit risk of Trade and Other Receivables is provided in Note 7.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 7.

b. Liquidity risk

Liquidity risk arises from the possibility that the entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The entity manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities
- using derivatives that are only traded in highly liquid markets
- monitoring undrawn credit facilities
- obtaining funding from a variety of sources
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- only investing surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The tables below reflect an undiscounted contractual maturity analysis for financial assets and financial liabilities. Financial guarantee liabilities are treated as payable on demand since the entity has no control over the timing of any potential settlement of the liability.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore defer from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	$	$	$	$	$	$	$	$
Financial liabilities due for payment								
Bank loans	367,392	348,468	675,463	951,072	-	-	1,042,855	1,299,540
Trade and other payables	342,246	309,153	-	-	-		342,246	309,153
Other loans	206,795	56,938	125,287	15,626	-	-	332,082	72,564
Total expected outflows	916,433	714,559	800,750	966,698	-	-	1,717,183	1,681,257

	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	$	$	$	$	$	$	$	$
Financial Assets - cash flows realisable								
Cash and cash equivalents	251,663	164,119	-	-	-	-	251,663	164,119
Trade, term and loans receivables	17,244	38,288	-	-	-	-	17,244	38,288
Total anticipated inflows	268,907	202,407	-	-	-	-	268,907	202,407
Net (outflow) / inflow on financial instruments	(647,526)	(512,152)	(800,750)	(966,698)	-	-	(1,448,276)	(1,478,850)

c. Market Risk

i. *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments. The financial instruments that primarily expose the company to interest rate risk are borrowings and trusts, foreign exchange forward contracts, interest rate swaps, government and fixed interest securities, and cash and cash equivalents.

ii. *Other price risk*

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors (other than those arising from interest rate risk or foreign currency risk) for commodities.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Company.

	Note	2018		2017	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		$	$	$	$
Financial assets					
Cash and cash equivalents (i)	6	251,663	251,663	164,119	164,119
Trade and other receivables		17,244	17,244	38,288	38,288
Total financial assets		268,907	268,907	202,407	202,407
Financial liabilities					
Trade and other payables (i)	13	342,246	342,246	309,153	309,153
Other loans	14	332,082	332,082	72,564	72,564
Bank loans		1,042,855	1,042,855	1,299,540	1,299,540
Total financial liabilities		1,717,183	1,717,183	1,681,257	1,681,257

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

Note 24 Reserves

a. **Revaluation Surplus**
The revaluation surplus records revaluations of non-current assets. Under certain circumstances dividends can be declared from this reserve.

Note 25 Member's Guarantee

The company is limited by guarantee. If the company is wound up, the articles of association state that each member is required to contribute a maximum of $2 each. At 31 August 2018 the number of members was 8,441 (2017: 7,384)

Note 26 Additional Information Required Under the Registered Clubs Act 1976

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 31 August 2018;

(a) the following properties are core property of the Club;
  (i) licensed premises at McGregor Avenue, Barrack Heights;
  (ii) car park at McGregor Avenue, Barrack Heights.

(b) the following properties are non-core property of the Club;
  (i) residential property at 21 Jason Avenue, Barrack Heights;
  (ii) residential property at 23 Jason Avenue, Barrack Heights;
  (iii) residential property at 25 Jason Avenue, Barrack Heights.

Note 27 Company Details

The registered office of the company is:
Warilla Sports Club Limited
54 McGregor Avenue
Barrack Heights NSW 2528

The principal place of business is:
Warilla Sports Club Limited
54 McGregor Avenue
Barrack Heights NSW 2528

WARILLA SPORTS CLUB LIMITED ABN: 20 001 077 943
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Warilla Sports Club Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 5 to 25, 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 31 August 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;

Director ______________________________

Clarence Bailey

Director ______________________________

Stephen Anderson

Dated this day of 2018

WARILLA SPORTS CLUB LIMITED ABN: 20 001 077 943
INDEPENDENT AUDITOR'S REPORT TO THE OWNERS OF WARILLA SPORTS CLUB LIMITED

Report on the Financial Report

Opinion

We have audited the financial report of Warilla Sports Club Limited (the company), which comprises the statement of financial position as at 31 August 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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:

a. the accompanying financial report of Warilla Sports Club Limited is in accordance with the Corporations Act 2001, including:
   - i. giving a true and fair view of the company's financial position as at 31 August 2018 and of its financial performance for the year then ended; and
   - ii. 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 Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 31 August 2018, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the ability of the company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Report

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 the 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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Auditor's name and signature: Spencer Green

Name of firm: O'Donnell Hennessy & Co

Address: WOLLONGONG

Dated this day of 2018

WARILLA SPORTS CLUB LIMITED ABN: 20 001 077 943
INDEPENDENT AUDITOR'S REPORT TO THE OWNERS OF WARILLA SPORTS CLUB LIMITED

ACCOUNTANTS COMPILATION REPORT

Scope

On the basis of information provided by the Directors of Warilla Sports Club Limited we have compiled the General Purpose Financial Report, being the summaries of Trading and Profit and Loss statements for the year ended 31st August, 2018.
The purpose of the report is to provide additional information to the members.

The additional information is in accordance with the books and records of Warilla Sports Club Limited which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 31 August 2018. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Directors provided, into a financial report.

The General Purpose Financial Report was prepared for the benefit of the Company and it's members and the purpose identified above. We do not accept responsibility to any other person for the contents of the General Purpose Financial Report.

O'DONNELL HENNESSY & CO

Chartered Accountants

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Principal Auditor: Spencer Green
WOLLONGONG

Date:

WARILLA SPORTS CLUB LIMITED ABN: 20 001 077 943
INDEPENDENT AUDITOR'S REPORT TO THE OWNERS OF
WARILLA SPORTS CLUB LIMITED

ADDITIONAL FINANCIAL INFORMATION
FOR THE YEAR ENDED 31ST AUGUST 2018

	2018 $	2017 $
BAR & CAFE TRADING		
Sales	1,348,721	1,437,789
Cost of Sales	578,555	600,933
Gross Profit	770,166	836,856
Depreciation	14,992	17,144
Repairs & Replacements	6,051	8,789
Wages & Entitlements	340,266	344,933
	361,309	370,866
GROSS PROFIT FROM BAR TRADING	408,857	465,990
POKER MACHINE ACCOUNT		
Takings	1,822,835	1,973,101
Depreciation	223,282	194,052
Monitoring & LAB fees	35,421	31,672
Poker Machine analysis software	26,816	24,295
Poker Machine Duty	260,665	291,405
Poker Machine license fees	700	18,831
Promotions	152,299	199,134
Repairs & Maintenance	30,806	27,462
Wages & Entitlements	108,080	104,861
	838,069	891,712
GROSS PROFIT FROM POKER MACHINES	984,766	1,081,389
KENO TRADING ACCOUNT		
Keno Commission	116,486	94,534
Depreciation	203	458
Stationery & Rental	3,933	5,060
Wages & Entitlements	34,708	38,438
	38,844	43,956
PROFIT FROM KENO	77,642	50,578
TAB TRADING ACCOUNT		
TAB Commission	18,652	14,780
Depreciation	5,428	4,585
Stationery & rental	1,845	-
Sky Channel & Thorough Vision	21,486	22,735
Wages & Entitlements	35,986	43,832
	64,745	71,152
LOSS FROM TAB	(46,093)	(56,372)

To be read in conjunction with Accountant's Compilation Report

WARILLA SPORTS CLUB LIMITED ABN: 20 001 077 943
INDEPENDENT AUDITOR'S REPORT TO THE OWNERS OF WARILLA SPORTS CLUB LIMITED

ADDITIONAL FINANCIAL INFORMATION
FOR THE YEAR ENDED 31ST AUGUST 2018

STATEMENT OF OPERATING PROFIT

	Note	2018 $	2017 $
INCOME			
Profit / (Loss) Transferred from:			
- Bar & Café Trading		408,857	465,990
- Poker Machine Trading		984,766	1,081,389
- Keno Trading Account		77,642	50,578
- TAB Trading Account		(46,093)	(56,372)
Total Income from trading		1,425,172	1,541,585
Commission, Vending & Function Income		101,598	108,872
Interest received		33	59
Members' Subscriptions		27,640	29,530
Other Income		24,655	37,941
Profit/(Loss) on Sale of Assets		26,309	13,351
Poker Machine GST Compensation		17,180	17,180
Rent		46,269	46,549
Social & Entertainment	1	126,643	118,603
TOTAL INCOME		1,795,499	1,913,670
EXPENDITURE			
Advertising & promotion		70,189	69,240
AGM printing & expenses		7,691	6,390
Audit & Accountancy Fees		43,285	41,695
Badges & Membership Expenses		1,889	2,798
Bank Charges		9,427	9,137
Catering subsidy		3,271	12,425
Club shirts - for resale		-	42
Cleaning & Laundry	3	109,416	102,781
Computer Software & expenses		18,277	16,721
Courtesy Bus		50,154	49,334
Depreciation - Buildings		106,472	107,878
Depreciation - Other		99,288	95,663
Directors drinks, meals & blazers		12,322	14,687
Delegate expenses		14,829	8,918
Sub-total carried forward		546,510	537,709

To be read in conjunction with Accountant's Compilation Report

ADDITIONAL FINANCIAL INFORMATION
FOR THE YEAR ENDED 31ST AUGUST 2018

STATEMENT OF OPERATING PROFIT (Continued)

	Note	2018 $	2017 $
EXPENDITURE (Continued)			
Sub-total brought forward		546,510	537,709
Electricity & Gas		91,425	92,894
Employee Entitlement Provision		45,442	18,129
Insurance - general		42,519	37,512
Insurance - workers compensation		17,013	15,946
Interest		78,605	93,839
Legal fees		1,569	1,300
Music artists & bands		62,228	59,643
Payroll Tax		6,063	9,388
Postage, Printing & Stationery		11,026	16,194
Rates		18,318	18,162
Rental Property Expenses		27,795	23,842
Repairs & Maintenance		45,820	63,526
Security		9,920	10,227
Social & Entertainment	2	224,657	279,875
Staff amenities & training		19,629	15,735
Stocktake expenses		8,450	8,125
Subscriptions & licences	4	63,096	73,947
Superannuation		75,516	81,929
Telephone		3,132	8,397
Travelling & motor running		3,033	3,253
Uniforms		4,300	1,077
Wages - Administration		217,641	258,781
Wages - Doorman & yard		40,776	41,711
Workers compensation excess		235	-
Total Expenditure		1,664,718	1,771,141
Operating Profit before donations		130,781	142,529
Donations made		79,252	82,584
Operating Profit /(Loss) before income tax benefit/(expense		51,529	59,945
Deferred income tax benefit/(expense)		-	-
Operating Profit /(Loss) after income tax benefit/(expense)		51,529	59,945

To be read in conjunction with Accountant's Compilation Report

ADDITIONAL FINANCIAL INFORMATION - NOTES
FOR THE YEAR ENDED 31ST AUGUST 2018

	2018 $	2017 $
1 Social & Entertainment Income		
Bingo income	22,831	16,996
Food fair	42,320	44,784
Meat market income	39,864	39,413
Raffle income	21,628	17,410
	126,643	118,603
2 Social & Entertainment Expenses		
Bingo	30,620	76,425
Charity housie	-	3,934
Drink & Meal	42,053	34,350
Food fair	48,889	55,046
Meat Market	46,183	53,101
Prizes & Trophies	10,443	9,311
Social function expenses	14,624	23,514
Raffle expenses	31,845	24,194
	224,657	279,875
3 Cleaning		
Cleaning Materials	38,685	33,365
Contract Cleaning	70,731	69,416
	109,416	102,781
4 Subscriptions & Licences		
Affiliation Fees	-	831
APRA	1,904	2,614
Austar/Fox sports	50,909	59,251
Filing Fees	78	47
Other Licences	3,367	3,714
Clubs NSW (RCA)	6,838	7,490
	63,096	73,947

To be read in conjunction with Accountant's Compilation Report