

**TILLIGERRY RSL SPORTS CLUB LIMITED**  
**(ACN 003 364 654)**

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

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The financial report was authorised for issue by the Directors on 15 October 2018. The Company has the power to amend and re-issue the financial report.

**TILLIGERRY RSL SPORTS CLUB LIMITED**  
**(ACN 003 364 654)**

**DIRECTORS' REPORT**

Your Directors present their report for the financial year ended 30 June 2018.

**1. The names of the Directors during the year and to the date of this report are:**

<b>Name</b>	<b>Position</b>	<b>Occupation/ Qualifications</b>	<b>Years as a Director</b>
Ronald Curry	President	Retired	16
Keith Jones	Director	Plumber	15
Peter Beesley	Treasurer	Retired	12
Terry Dellar	Director	Business Owner	6
David Jamieson	Director	Retired Policeman	4
Rodney Key	Director	Retired	2
Joanne Jackson	Director	Administration Manager	2

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

**2. Activities**

The principal activities of the Company in the course of the financial year ended 30 June 2018 were:

The running of a licensed Club for the benefit of its members and to meet the Company's objectives under its constitution.

**3. Objectives of the Club**

The Club's short and long term objectives are to;

Provide the best facilities available to members and their guests with a special interest in the welfare of the returned service league and the promotion of the sport of golf.

To achieve these objectives the Club has adopted the following strategies;

Maintain or increase existing revenue levels and control costs to return to profitability which will allow the Club's premises to be continually improved.

These strategies are measured through both financial and non financial key performance indicators that have been developed relevant to the club industry.

**4. Results**

The net result of operations after applicable income tax was a profit of \$91,137 (2017 profit of \$14,806).

**5. Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2018 has been received and is set out on page 4 of the financial report.

Company may decide to engage the auditor in addition to their statutory audit where the auditor's expertise and experience with the Club is important.

**6. Limited by Guarantee**

The Club is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any obligations of the Club. At 30 June 2018 the collective liability of members was \$5,434 (2017 \$5,464).

**7. Dividends**

The Company being a non-profit organisation is prevented from paying dividends by its constitution.

**8. Environmental Regulations**

The Company's operations are subject to various environmental regulations under both State and Commonwealth Legislations. The Directors are not aware of any breaches of the legislation during the financial year, which are material in nature.

**TILLIGERRY RSL SPORTS CLUB LIMITED**  
**(ACN 003 364 654)**

**DIRECTORS' REPORT**

**9. Meeting Attendances**

The number of Board meetings held during the financial year ended 30 June 2018 was 12, being 12 normal Board meetings and 2 special meetings. The details of each Directors attendance at those meetings is given below:-

<u>Director</u>	<u>Normal</u>	<u>No. Held while in Office</u>
Ronald Curry	14	14
Keith Jones	13	14
Peter Beesley	13	14
Terry Dellar	11	14
David Jamieson	11	14
Rodney Key	8	9
Joanne Jackson	8	9

The Annual General Meeting was held on the 31 October 2017.

**10. Property Report**

The Directors have determined that all property of the Club shall be classified as follows in accordance with S41J of the Registered Clubs Act:-

**Core Property**

Lot 451, Lemon Tree Passage Road, Tanilba Bay owned by Club.


Lot 452, Lemon Tree Passage Road, Tanilba Bay was leased from RSL Australia (NSW Branch).

Golf Club land and buildings and course are leased from NSW Trade and Investment.

**Non-Core Property**

Nii

Signed in accordance with a resolution of the Board of Directors

  
 Ronald Curry - Director

David Jamieson - Director



Date: 15 October 2018

# REASSURANCE AUDIT SERVICES PTY LTD

**AUDITOR'S INDEPENDENCE DECLARATION**  
**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**  
**TO THE DIRECTORS OF**  
**TILLIGERRY RSL SPORTS CLUB LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been:

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

  
Reassurance Audit Services Pty Ltd

  
Mark Walmsley - Director

Date 8 October 2018  
16 Dunbar Street  
STOCKTON NSW 2295

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**Authorised Audit Company**  
**Registered Number: 441724**  
**ABN: 14 164 474 837**

**16 Dunbar Street**  
**PO Box 31**  
**STOCKTON NSW 2295**  
**Phone: (02) 49201311**

# REASSURANCE AUDIT SERVICES PTY LTD

## TILLIGERRY RSL SPORTS CLUB LIMITED (ACN 003 364 654)

### INDEPENDENT AUDIT REPORT TO THE MEMBERS

#### **Opinion**

I have audited the financial report of Tilligerry RSL Sports Club Limited, which comprises the statement of financial position as at 30 June 2018 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors declaration.

In my opinion, the financial report of Tilligerry RSL Sports Club Limited has been prepared in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30<sup>th</sup> June, 2018, and of its financial performance for the year then ended; and
- (b) complying with the Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

#### **Basis for Opinion**

I have conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial Reports section of my report. I am independent of the registered entity 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 my audit of the financial report in Australia. I have also fulfilled my 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 Tilligerry RSL Sports Club Limited, would be in the same terms if given to the directors as at the time of this audit report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Material Uncertainty Regarding Going Concern**

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of matters described in Note 2 (Deficiency in Working Capital) to the financial statements there is uncertainty as to whether the club will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

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**TILLIGERRY RSL SPORTS CLUB LIMITED**  
**(ACN 003 364 654)**

**INDEPENDENT AUDIT REPORT TO THE MEMBERS**

**Responsibilities of Directors and Those Charged with Governance for the Financial Report**

Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and the Corporations Act 2001, and for such internal control as Directors determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, where due to fraud or error.

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

Those charged with governance are responsible for overseeing the company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Report**

My objectives are to obtain reasonable assurance that 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

**TILLIGERRY RSL SPORTS CLUB LIMITED**  
**(ACN 003 364 654)**

**INDEPENDENT AUDIT REPORT TO THE MEMBERS**

**Auditor's Responsibilities for the Audit of the Financial Report (cont'd)**

- Obtaining an understanding of internal control relevant to the audit in order to design and 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 directors.
- Conclude on the appropriateness of the directors entity's 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 a significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I communicate with those 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 I identify during my audit.

  
Reassurance Audit Services Pty Ltd                      Mark Walmsley - Director

Date 15 October 2018  
16 Dunbar Street  
STOCKTON NSW 2295


**TILLIGERRY RSL SPORTS CLUB LIMITED**  
**(ACN 003 364 654)**

**DIRECTORS' DECLARATION**

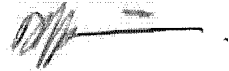
The Directors of the Company declare that:

- 1 The financial statements and notes, as set out on pages 9 to 20 are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards in Australia - Reduced Disclosure Requirements, the Corporations Act 2001 and other mandatory professional reporting requirements; and
  - (b) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Company.
- 2 In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and signed for on behalf of the Directors by:

  
Ronald Curry - Director

David Jamieson - Director



Date: 15 October 2018



**TILLIGERRY RSL SPORTS CLUB LIMITED**  
**(ACN 003 364 654)**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	7	118,642	117,647
Trade and Other Receivables	8	27,044	11,605
Inventories	9	48,014	48,205
Other Assets	10	108,549	89,781
<b>TOTAL CURRENT ASSETS</b>		<b>302,249</b>	<b>267,238</b>
<b>NON-CURRENT ASSETS</b>			
Other Assets	10	-	-
Property, Plant and Equipment	11	2,207,180	2,156,322
Intangible Assets	12	140,369	140,369
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,347,549</b>	<b>2,296,691</b>
<b>TOTAL ASSETS</b>		<b>2,649,798</b>	<b>2,563,929</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	13	289,945	308,440
Borrowings	14	593,994	510,515
Provisions	15	215,854	167,150
Other Liabilities	16	90,982	106,412
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,190,775</b>	<b>1,092,517</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	14	792,869	859,888
Provisions	15	3,591	40,255
Other Liabilities	16	9,547	9,390
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>806,007</b>	<b>909,533</b>
<b>TOTAL LIABILITIES</b>		<b>1,996,782</b>	<b>2,002,050</b>
<b>NET ASSETS</b>		<b>653,016</b>	<b>561,879</b>
<b>MEMBERS' FUNDS</b>			
Accumulated Profits		653,016	561,879
<b>TOTAL MEMBERS' FUNDS</b>		<b>653,016</b>	<b>561,879</b>

To be read in conjunction with the attached notes to the Financial Statements

**TILLIGERRY RSL SPORTS CLUB LIMITED**  
**(ACN 003 364 654)**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
Bar Sales		1,350,096	1,368,727
Cost of Goods Sold		567,020	598,960
Bar Gross Profit (\$)		783,076	769,767
Bar Gross Profit (%)		58.00%	56.24%
Poker Machine Net Revenue		1,417,103	1,587,641
Paper Gaming Commissions		171,327	172,546
Members Subscriptions		19,534	22,237
Interest Received		25	15
Golf Course Income		573,561	601,633
Profit on Sale of Fixed Assets		31,682	21,960
Other Income		550,234	347,700
<b>Total Trading and Other Income</b>		<b>3,546,542</b>	<b>3,523,499</b>
<b>Expenses</b>			
Bar Direct Expenses		427,958	409,190
Poker Machine Direct Expenses		402,944	450,131
Paper Gaming Direct Expenses		116,802	116,131
Golf Course Expenses		572,193	577,984
Member Amenities		810,011	806,413
Clubhouse Expenses		285,406	300,056
Administration Expenses		748,636	752,491
Borrowing Expenses		91,455	96,297
<b>Total Expenses</b>		<b>3,455,405</b>	<b>3,508,693</b>
<b>Net Profit/(Loss) Before Income Tax</b>		<b>91,137</b>	<b>14,806</b>
<b>Income Tax Expense</b>	6	-	-
<b>Net Profit/(Loss) After Income Tax</b>		<b>91,137</b>	<b>14,806</b>
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income/(Loss)</b>		<b>91,137</b>	<b>14,806</b>

To be read in conjunction with the attached notes to the Financial Statements

**TILLIGERRY RSL SPORTS CLUB LIMITED**  
**(ACN 003 364 654)**

**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>Cash Flows from Operating Activities</b>		
Receipts from Members and Guests	4,409,584	4,506,278
Payments to Suppliers and Employees	(4,089,708)	(4,090,060)
Interest Received	25	15
Interest Paid	(91,445)	(96,297)
<i>Net Cash Flows provided by (used in) Operating Activities</i>	<u>228,456</u>	<u>319,936</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from Sale of Property, Plant and Equipment	31,820	21,960
Payments for Property, Plant and Equipment	(48,389)	(91,865)
<i>Net Cash Flows provided by (used in) Investing Activities</i>	<u>(16,569)</u>	<u>(69,905)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from Borrowings	125,810	84,412
Hire Purchase Payments	(107,202)	(77,490)
Repayments of Borrowings	(253,681)	(220,993)
<i>Net Cash Flows provided by (used in) Financing Activities</i>	<u>(235,073)</u>	<u>(214,071)</u>
<b><i>Net Increase/(Decrease) in Cash Held</i></b>	(23,186)	35,960
<b>Cash and Cash Equivalents at the Beginning of the Financial Year</b>	<u>59,076</u>	<u>23,116</u>
<b>Cash and Cash Equivalents at the End of the Financial Year</b>	<u>35,890</u>	<u>59,076</u>

To be read in conjunction with the attached notes to the Financial Statements

**TILLIGERRY RSL SPORTS CLUB LIMITED**  
**(ACN 003 364 654)**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2018**

Note	2018 \$	2017 \$
<b>Opening Balances 1 July 2017</b>		
Accumulated Profits	561,879	547,073
Comprehensive Income/(Loss) for the year	91,137	14,806
<b>Closing Balances 30 June 2018</b>		
Accumulated Profits	653,016	561,879

To be read in conjunction with the attached notes to the Financial Statements

**TILLIGERRY RSL SPORTS CLUB LIMITED**  
**(ACN 003 364 654)**

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

**1 Statement of Significant Accounting Policies**

**Basis of Preparation**

This financial report is a general purpose financial report that has been prepared in accordance with applicable Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Tilligerry RSL Sports Club Limited is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report has been prepared on an accrual basis and is based on historical costs. The financial report is presented in Australian Dollars.

The following is a summary of the significant accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**Statement of Compliance**

The financial report complies with Australian Accounting Standards - Reduced Disclosure Standards as issued by the Australian Accounting Standards Board (AASB) being AASB1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

**Income Tax**

Income tax payable is calculated in accordance with the provisions of the Income Tax Assessment Act dealing with the Registered Clubs and Associations.

Deferred Tax Assets and Liabilities are recognised for deductible and temporary differences where considered material. Deferred tax assets in respect of unused tax losses are only recognised to the extent it is probable that a taxable profit will be available against which deductible temporary differences and carried forward tax losses can be utilised if material.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on the tax rates (and tax law) that have been enacted or substantively enacted at the statement of financial position date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income.

**Inventories**

Inventories are measured at the lower of cost and current replacement value.

**Trade Debtors and Other Receivables**

Trade debtors are recognised initially at fair value and subsequently measured at amortised cost, less any impairment losses. Trade receivables are due within 30 days from the date of recognition. The recoverability of trade debtors is reviewed regularly, with any uncollectible debts written off.

**Cash and Cash Equivalents**

Cash and short-term deposits in the statement of financial position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less. For the purpose of the statement of cashflows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**Intangible Assets**

Intangible assets acquired separately are capitalised at cost, the useful lives of these intangible assets are assessed to be either infinite or indefinite. Those with finite lives are amortised over that period on a straight line basis. Intangible assets are tested for impairment annually and where an indicator for impairment exists.

**TILLIGERRY RSL SPORTS CLUB LIMITED**  
**(ACN 003 364 654)**

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

**Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Building Improvements	13 to 25 years
Plant and Equipment	3 to 25 years
Poker Machines	4 to 8 years

*Impairment*

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash in flows, the recoverable amount is determined for the cash generated unit in which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generated units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the future economic benefits of an asset are not dependant on the asset's ability to generate net cash inflows and if deprived of the asset the Company would replace its remaining future economic benefit, value in use is determined as the depreciated replacement cost of the asset.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income in the administration expense line item.

**Borrowing Costs**

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

**Hire Purchase**

Assets acquired under hire purchase agreements are brought to account at cost together with a corresponding hire purchase liability and unexpired terms charges and are depreciated on a straight line basis over their estimated economic life to the Company. Terms charges are written off over the period of the agreements.

**Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Revenue from membership subscriptions is recognised upon receipt of money for the period to which the membership relates.

Sales revenue comprises the revenue earned from the provision of products or services to entities outside the Company.

Interest income is recognised as it accrues.

The profit or loss on disposal of an asset is brought to account at the date an unconditional contract is signed.

Other revenue is recognised as it accrues.

**Accounts Payable**

Liabilities are recognised for amounts to be paid for goods and services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days.

**TILLIGERRY RSL SPORTS CLUB LIMITED**  
**(ACN 003 364 654)**

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

**Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables are stated with the amount of GST included. The amount of GST recoverable or payable to the ATO is included as a current asset or current liability in the statement of financial position. Cash flows are included in the statement of cashflows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from or payable to the ATO are classified as operating cash flows.

**Employee Benefits**

***Short Term***

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

***Other Long Term***

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage levels and period of service. Discount rates of the Australian bond rates matching the estimated future cash outflows have been used.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

**2 Deficiency in Working Capital**

As at 30 June 2018 current assets of the Club were \$302,249 compared to current liabilities of \$1,190,775 representing a deficiency in working capital of \$888,526. Despite this deficiency the financial report has been prepared on a going concern basis, that is the continuity of normal business operations and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Club's ability to continue as a going concern is dependant upon:

- (i) The continued support of the lending provider;
- (ii) Controlling of wage costs, stock and promotional costs in order to realise expected cost savings;
- (iii) Continued support of trading suppliers;
- (iv) Improvement in trading revenues in particular bar and poker machine operations;
- (v) Sale of non-current assets such as poker machine licenses which are no longer required by the Company;
- (vi) Ability of the Company to obtain payment plans with the Australian Taxation Office and to meet the terms agreed in such arrangements.

These factors are the basis upon which the Directors have determined that the going concern basis is appropriate in the preparation of the financial report.

**TILLIGERRY RSL SPORTS CLUB LIMITED**  
**(ACN 003 364 654)**

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

**Deficiency in Working Capital (cont.)**

If the Club is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in this financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Club not continue as a going concern.

**3 Registered Office**

The registered address of the Club is Lemon Tree Passage Road, Tanilba Bay NSW 2319.

**4 Operating Revenue**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Bar Sales	1,350,096	1,368,727
Poker Machine Net Revenue	1,417,103	1,587,641
Interest Received/Receivable	25	15
Profit on Sale of Assets	31,682	21,960
Paper Gaming Commission	171,327	172,546
Golf Course Income	573,561	601,633
Other	555,279	362,652
<b>Total</b>	<b>4,099,073</b>	<b>4,115,174</b>

**5 Operating Profit**

Operating profit/(loss) before income tax is arrived at after crediting and charging the following specific items:-

**Credits**

Interest Received/Receivable	25	15
Profit on Sale of Assets	31,682	21,960

**Charges**

Depreciation		
- Bar	12,294	8,004
- Poker Machines	81,571	88,132
- Plant and Equipment	12,098	16,681
- Golf Course	54,801	56,050
<b>Total Depreciation</b>	<b>160,764</b>	<b>168,867</b>

Amortisation

- Amortisation of Club Equipment and Improvements	63,981	63,354
<b>Total Amortisation</b>	<b>63,981</b>	<b>63,354</b>

Interest and Finance Costs	91,455	96,297
Loss on Sale of Assets	-	-



**TILLIGERRY RSL SPORTS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

		2018	2017
		\$	\$
<b>6</b>	<b>Income Tax Expense</b>		
	a) The aggregate amount of income tax attributable to the financial year differs to the amount calculated on the operating profit. The difference is reconciled as follows:-		
	Operating profit/(loss) before income tax	91,137	14,806
	Income Tax thereon @ 30%	27,341	4,442
	Non Deductible Expenses	9,718	9,188
	Apportionment Adjustment Members Income and Expenses	(14,410)	(4,346)
	Timing Differences not Brought into Account	33	4,559
	Deferred Tax Asset for Tax Losses not Brought into Account	(22,682)	(13,843)
	Income Tax Expense/(Benefit)	-	-
	b) The Directors estimate that the potential Deferred Tax Asset at 30 June 2018 in respect of tax losses not brought into account is:-	197,815	220,497
	The benefit for tax losses will only be obtained if:-		
	i) the Company drives future assessable income in the nature and of amount sufficient to enable the benefit from deductions for the losses to be realised;		
	ii) the Company continues to comply with the conditions for deductibility imposed by the tax legislation; and		
	iii) no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the losses.		
<b>7</b>	<b>Cash and Cash Equivalents</b>		
	Cash and Cash Equivalents	118,642	117,647
		118,642	117,647
<b>8</b>	<b>Trade and Other Receivables</b>		
	<b>Current</b>		
	Other Debtors	27,044	11,605
		27,044	11,605
<b>9</b>	<b>Inventories</b>		
	Stock on Hand	48,014	48,205
		48,014	48,205
<b>10</b>	<b>Other Assets</b>		
	<b>Current</b>		
	Prepayments	108,549	89,781
		108,549	89,781

**TILLIGERRY RSL SPORTS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**11 Property, Plant and Equipment**

	Land, Building, Improvements & Golf Course	Poker Machines	Plant & Equipment	Total
	\$	\$	\$	\$
<b>Year ended 30 June 2018</b>				
At 1 July 2017,				
Net of Accumulated Depreciation/Amortisation	1,707,794	187,403	261,125	2,156,322
Additions	3,184	214,119	58,440	275,743
Disposals	-	(140)	-	(140)
Depreciation/Amortisation	(90,095)	(81,571)	(53,079)	(224,745)
At 30 June 2018				
Net of Accumulated Depreciation/Amortisation	<u>1,620,883</u>	<u>319,811</u>	<u>266,486</u>	<u>2,207,180</u>
<b>At 1 July 2017</b>				
Cost or Fair Value	2,774,067	1,170,792	853,109	4,797,968
Accumulated Depreciation/Amortisation	(1,066,273)	(983,389)	(591,984)	(2,641,646)
Net Carrying Amount	<u>1,707,794</u>	<u>187,403</u>	<u>261,125</u>	<u>2,156,322</u>
<b>At 30 June 2018</b>				
Cost or Fair Value	2,720,423	1,292,161	745,485	4,758,069
Accumulated Depreciation/Amortisation	(1,099,540)	(972,350)	(478,999)	(2,550,889)
Net Carrying Amount	<u>1,620,883</u>	<u>319,811</u>	<u>266,486</u>	<u>2,207,180</u>

The club obtained a valuation form Robertson and Robertson Valuers on 25 June 2018 valuing the RSL Land and Buildings at \$1,850,000. They are disclosed at cost less depreciation in the financial report  
Assets under hire purchase and lease contracts are pledged as security for the related hire purchase and lease liabilities. The National Australia Bank also holds a fixed and floating charge over the company as detailed in Note 18.

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>12 Intangible Assets</b>		
<b>Non-Current</b>		
Poker Machine Entitlements	140,369	140,369
	<u>140,369</u>	<u>140,369</u>
<b>13 Trade and Other Payables</b>		
GST Payable	70,677	77,331
Trade Creditors	197,149	212,726
Payroll Clearing Account	22,119	18,383
	<u>289,945</u>	<u>308,440</u>
<b>14 Borrowings</b>		
<b>Current</b>		
Bank Overdraft	82,752	58,571
Hire Purchase Liability	136,970	84,230
Loan - Insurance	104,842	70,343
Loan - RSL Australia (NSW Branch) (Secured)	134,430	132,371
Loan - National Australia Bank (Secured)	135,000	165,000
	<u>593,994</u>	<u>510,515</u>
<b>Non Current</b>		
Hire Purchase Liability	177,213	109,803
Loan - RSL Australia (NSW Branch) (Secured)	615,656	750,085
	<u>792,869</u>	<u>859,888</u>

For security details refer to Note 18.

**TILLIGERRY RSL SPORTS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

		2018	2017
		\$	\$
<b>15</b>	<b>Provisions</b>		
	<b>Current</b>		
	Provision for Annual Leave	81,566	80,031
	Provision for Long Service Leave	134,288	87,119
		215,854	167,150
	<b>Non Current</b>		
	Provision for Long Service Leave	3,591	40,255
		3,591	40,255
<b>16</b>	<b>Other Liabilities</b>		
	<b>Current</b>		
	Income in Advance	90,982	106,412
		90,982	106,412
	<b>Non Current</b>		
	Income in Advance	9,547	9,390
		9,547	9,390

**17 Related Parties**

**Directors**

The names of persons who were Directors of the Company at any time during the year are as they appear in the attached Directors Report.

The daughter of director, Terry Dellar was employed by the Club under normal award terms and conditions.

R. Curry and K. Jones and/or their related entities provided goods and services to the Club throughout the year on normal commercial terms and conditions. Outstanding amounts are unsecured and under normal trade terms. No expense for bad debts has been recognised nor any provision made at balance date.

	Total	Amounts
Related Parties	Transactions	Outstanding
	\$	at 30 June
		2018
	\$	\$
R. Curry - Tilligerry Quality Meats	134,761	-
K. Jones - Jones Plumbing	10,029	-
R. Curry - T & L Curry - Caterers	-	-

Key Management personnel received the following benefits during the financial year:

Short Term Employment benefits	161,980	161,980
Long Term Employment benefits	-	-
Post Employment benefits	16,634	16,634
	178,614	178,614

**TILLIGERRY RSL SPORTS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**18 Contingent Liabilities**

**Bank Guarantees**

The Club has a bank guarantee in the amount of \$5,000 required to be provided in relation to its TAB facility.

**Security**

The National Australia Bank holds a security interest and floating charge over all of the present and future rights and understandings of Tilligerry RSL Sports Club Limited in respect of the business loan, the guarantee noted above, the bank overdraft facility of \$85,000 which has been utilised to the value of \$82,751 and the asset financing facility totalling \$480,000 which has been utilised to the value of \$314,183 as at 30 June 2018. RSL Australia (NSW Branch) holds security over Lot 451, Lemon Tree Passage Road, Tanilba Bay.

**19 Commitments for Expenditure**

**Capital Commitments**

The Club has not committed to any capital expenditure totalling since balance date. (2017 Nil)

**Non Cancellable Rental Agreements**

Total commitments in respect of rental agreements are as follows:-

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Not later than one year	62,796	62,796
Later than one year and not later than five	202,395	202,395
Later than five years	-	-
	<u>265,191</u>	<u>265,191</u>

**20 Cashflow Reconciliation**

Cash at Bank	118,642	117,647
Bank Overdraft	(82,752)	(58,571)
	<u>35,890</u>	<u>59,076</u>

**TILLIGERRY RSL SPORTS CLUB LIMITED**  
**(ACN 003 364 654)**

**DETAILED PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2018**

<b>TRADING ACCOUNT</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>STATEMENT OF BAR TRADING</b>		
Sales	1,122,678	1,098,824
<b>LESS COST OF SALES</b>		
Opening Stock	26,021	31,034
Purchases	468,707	476,757
	<u>494,728</u>	<u>507,791</u>
Closing Stock	21,494	26,021
	<u>473,234</u>	<u>481,770</u>
<b>GROSS PROFIT</b>	<u>649,444</u>	<u>617,054</u>
<b>DIRECT EXPENSES</b>		
Depreciation	7,813	7,839
Freight & Gas	12,701	13,461
Hire of Plant	20,640	17,891
Repairs & Maintenance	7,408	2,976
Wages	307,010	299,179
<b>DIRECT EXPENSES</b>	<u>355,572</u>	<u>341,346</u>
<b>NET PROFIT</b>	<u>293,872</u>	<u>275,708</u>
<b>STATEMENT OF POKER MACHINES</b>		
Net Revenue	1,368,604	1,537,273
Hopper Movement	(4,834)	(1,504)
	<u>1,363,770</u>	<u>1,535,769</u>
<b>DIRECT EXPENSES</b>		
Central Monitoring System	19,080	18,605
Depreciation	79,564	75,250
Promotions	11,251	10,753
Repairs & Maintenance	16,310	14,426
Gaming Device Duty	142,133	189,286
Less: Gaming Tax Rebate	(17,180)	(17,180)
Wages	122,804	119,672
<b>DIRECT EXPENSES</b>	<u>373,962</u>	<u>410,812</u>
<b>NET PROFIT</b>	<u>989,808</u>	<u>1,124,957</u>

Detailed Profit and Loss Statement  
Not Covered by Audit Report on Pages 5 to 7  
Prepared for the information of Members in the Annual Report

**TILLIGERRY RSL SPORTS CLUB LIMITED**  
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**DETAILED PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b>STATEMENT OF PAPER GAMING OPERATIONS</b>		
Keno Commission	121,548	115,670
Tab Commission	26,100	28,477
	<u>147,648</u>	<u>144,147</u>
<b>DIRECT EXPENSES</b>		
Consumables & Maintenance	14,185	17,636
Promotion	10,049	8,353
Sky Channel	23,140	22,200
Wages	61,402	59,834
<b>DIRECT EXPENSES</b>	<u>108,776</u>	<u>108,023</u>
<b>NET PROFIT</b>	<u>38,872</u>	<u>36,124</u>
<b>STATEMENT OF RAFFLES &amp; BINGO TRADING</b>		
Bingo & Raffle Income	222,313	238,421
<b>LESS COST OF SALES</b>		
Bingo & Raffle Purchases	292,080	297,910
<b>GROSS PROFIT/(LOSS)</b>	<u>(69,767)</u>	<u>(59,489)</u>
<b>DIRECT EXPENSES</b>		
Wages	26,936	26,936
<b>DIRECT EXPENSES</b>	<u>26,936</u>	<u>26,936</u>
<b>NET PROFIT</b>	<u>(96,703)</u>	<u>(86,425)</u>

**TILLIGERRY RSL SPORTS CLUB LIMITED**  
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**DETAILED PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b>STATEMENT OF BAR TRADING - GOLF CLUB</b>		
Sales	227,418	269,903
<b>LESS COST OF SALES</b>		
Opening Stock	6,270	4,971
Purchases	93,920	118,489
	<u>100,190</u>	<u>123,460</u>
Closing Stock	6,404	6,270
	<u>93,786</u>	<u>117,190</u>
<b>GROSS PROFIT</b>	<u>133,632</u>	<u>152,713</u>
<b>DIRECT EXPENSES</b>		
Depreciation	4,481	165
Repairs & Maintenance	1,032	1,438
Wages	66,873	66,241
<b>DIRECT EXPENSES</b>	<u>72,386</u>	<u>67,844</u>
<b>NET PROFIT</b>	<u>61,246</u>	<u>84,869</u>
<b>STATEMENT OF POKER MACHINES - GOLF CLUB</b>		
Net Revenue	53,333	51,872
<b>DIRECT EXPENSES</b>		
Depreciation	2,007	12,882
Repairs & Maintenance	2,870	3,649
Duty Tax	(5,119)	(5,600)
Wages	29,224	28,388
<b>DIRECT EXPENSES</b>	<u>28,982</u>	<u>39,319</u>
<b>NET PROFIT</b>	<u>24,351</u>	<u>12,553</u>
<b>STATEMENT OF KENO OPERATIONS - GOLF CLUB</b>		
Commission	23,679	28,399
<b>DIRECT EXPENSES</b>		
Repairs & Maintenance	1,532	1,800
Wages	6,494	6,308
<b>DIRECT EXPENSES</b>	<u>8,026</u>	<u>8,108</u>
<b>NET PROFIT/(LOSS)</b>	<u>15,653</u>	<u>20,291</u>

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**DETAILED PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>STATEMENT OF GOLF COURSE - GOLF CLUB</b>		
Advertising Income	23,166	16,625
Cart Hire	93,225	99,917
Competition Fees	31,390	30,537
Fuel Tax Credits	6,490	6,961
Green Fees	218,991	241,567
Membership Subscription	104,468	105,447
Merchandise Sales	29,669	36,797
Refreshment Sales	32,780	32,631
Rental Income	39,872	38,112
	<hr/> 580,051	<hr/> 608,594
<b>DIRECT EXPENSES</b>		
Cart Costs	28,992	34,738
Course Maintenance	82,039	97,944
Depreciation	54,801	56,050
Fuel Costs	24,984	19,722
Machinery Costs	30,632	6,886
Merchandise Purchases	17,231	22,165
Refreshment Purchases	17,064	15,972
Rental of Course	17,813	18,548
Subscriptions	16,672	10,769
Trophies & Prizes	8,918	8,140
Wages	273,047	287,050
<b>DIRECT EXPENSES</b>	<hr/> 572,193	<hr/> 577,984
<b>NET PROFIT</b>	<hr/> 7,858	<hr/> 30,610
 <b>TOTAL TRADING PROFIT</b>	 <hr/> <hr/> 1,334,957	 <hr/> <hr/> 1,498,687

Detailed Profit and Loss Statement  
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**TILLIGERRY RSL SPORTS CLUB LIMITED**  
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**DETAILED PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2018**

<b>INCOME</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>TOTAL TRADING PROFIT</b>	1,334,957	1,498,687
Members Subscriptions	13,044	15,276
ATM Commissions	44,507	45,835
Other Commissions	4,229	5,642
Employee FBT Contribution	8,500	8,500
Insurance Recoveries	195,967	-
Interest Received	25	15
Profit on Sale of Assets	31,682	21,960
Wages Subsidy	14,489	7,285
Sundry Income	60,229	42,017
<b>TOTAL INCOME</b>	<b>1,707,629</b>	<b>1,645,217</b>
 <b>LESS EXPENSES</b>		
<b>MEMBERS AMENITIES</b>		
Advertising & Promotions	21,332	16,825
Donations	34,142	37,377
Entertainment	119,236	103,963
AGM Expenses	1,106	1,716
Members Only Promotions	240,241	244,932
Courtesy Bus Expenses	9,954	11,202
Wages - Door & Transport	55,886	56,600
Wages - Child Care	9,098	8,952
	<b>490,995</b>	<b>481,567</b>
 <b>CLUBHOUSE</b>		
Cleaning Wages	64,482	64,801
Cleaning Materials	18,795	17,842
Electricity, Gas, Heating	117,124	112,069
Rates	22,066	22,376
Repairs & Maintenance	60,769	80,378
Security	2,170	2,590
	<b>285,406</b>	<b>300,056</b>

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**DETAILED PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b>ADMINISTRATION</b>		
Accountancy & Audit Fees	10,500	11,337
Bank Charges	10,685	9,410
Cash Variances	6,567	7,699
Computer Expenses	15,076	17,238
Depreciation	12,098	16,681
Amortisation of Improvements	63,981	63,354
Hire of Plant	10,857	6,578
Insurance	84,524	81,615
Insurance - Workers' Compensation	26,358	32,007
Interest	91,455	96,297
Legal Costs	5,073	-
Long Service Leave Expense	10,505	15,107
Loss on Sale of Fixed Assets	-	-
Out of Pocket Expenses	2,096	2,207
Payroll Tax	29,095	32,243
Postage & Stationery	23,995	23,703
Rent - State Branch	11,811	9,913
Staff Amenities & Drinks	5,431	8,169
Subscriptions & Licences	19,869	22,773
Superannuation	136,311	135,592
Telephone	22,247	22,282
Uniforms	3,043	2,051
Wages	238,514	232,532
	<u>840,091</u>	<u>848,788</u>
<b>TOTAL EXPENSES</b>	<u>1,616,492</u>	<u>1,630,411</u>
<b>OPERATING PROFIT/(LOSS)</b>	<u>91,137</u>	<u>14,806</u>
<b>RETAINED PROFITS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	561,879	547,073
<b>RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR</b>	<u>653,016</u>	<u>561,879</u>

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