

TILLIGERRY RSL SPORTS CLUB LIMITED
(ACN 003 364 654)

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

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The financial report was authorised for issue by the Directors on 14 October 2019. 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 2019.

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

Name	Position	Occupation/ Qualifications	Years as a Director
Ronald Curry	President	Retired	17
Peter Beesley	Treasurer	Retired	13
Terry Dellar	Director	Business Owner	7
David Jamieson	Director	Retired Policeman	5
Rodney Key	Director	Retired	3
Jo Jackson	Director	Administration Manager	3
Rohan Butt	Director	Retired	1

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 2019 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 \$134,557 (2018 profit of \$91,137).

5. Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2019 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 2019 the collective liability of members was \$5,434 (2018 \$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
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DIRECTORS' REPORT

9. Meeting Attendances

The number of Board meetings held during the financial year ended 30 June 2019 was 12, being 12 normal Board 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	12	12
Peter Beesley	11	12
Terry Dellar	10	12
David Jamieson	11	12
Rodney Key	11	12
Joanne Jackson	12	12
Rohan Butt (Elected at AGM)	7	7
Keith Jones (Not elected at AGM)	4	5

The Annual General Meeting was held on the 13 November 2018.

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:-

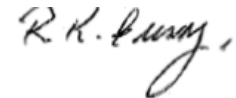
Core Property

Lot 451, Lemon Tree Passage Road, Tanilba Bay owned by Club.
 Golf Club land and buildings and course are leased from NSW Trade and Investment.

Non-Core Property

Nil

Signed in accordance with a resolution of the Board of Directors



Ronald Curry - Director



David Jamieson - Director

Date: 14 October 2019

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 2019 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

Reassurance Audit Services Pty Ltd

Mark Walmsley

Mark Walmsley - Director

Date 7 October 2019
16 Dunbar Street
STOCKTON NSW 2295

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 2019 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 30th June, 2019, 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
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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.
- 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.

TILLIGERRY RSL SPORTS CLUB LIMITED
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INDEPENDENT AUDIT REPORT TO THE MEMBERS

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

- 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

Reassurance Audit Services Pty Ltd

Mark Walmsley

Mark Walmsley - Director

Date 14 October 2019

16 Dunbar Street

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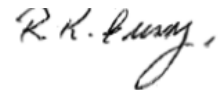
TILLIGERRY RSL SPORTS CLUB LIMITED
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DIRECTORS' DECLARATION

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 2019 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: 14 October 2019

TILLIGERRY RSL SPORTS CLUB LIMITED
(ACN 003 364 654)

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash and Cash Equivalents	7	140,413	118,642
Trade and Other Receivables	8	24,479	27,044
Inventories	9	45,002	48,014
Other Assets	10	141,106	108,549
TOTAL CURRENT ASSETS		351,000	302,249
NON-CURRENT ASSETS			
Property, Plant and Equipment	11	2,177,360	2,207,180
Intangible Assets	12	140,369	140,369
TOTAL NON-CURRENT ASSETS		2,317,729	2,347,549
TOTAL ASSETS		2,668,729	2,649,798
CURRENT LIABILITIES			
Trade and Other Payables	13	319,256	289,945
Borrowings	14	402,849	593,994
Provisions	15	224,939	215,854
Other Liabilities	16	91,772	90,982
TOTAL CURRENT LIABILITIES		1,038,816	1,190,775
NON-CURRENT LIABILITIES			
Borrowings	14	825,322	792,869
Provisions	15	8,006	3,591
Other Liabilities	16	9,012	9,547
TOTAL NON-CURRENT LIABILITIES		842,340	806,007
TOTAL LIABILITIES		1,881,156	1,996,782
NET ASSETS		787,573	653,016
MEMBERS' FUNDS			
Accumulated Profits		787,573	653,016
TOTAL MEMBERS' FUNDS		787,573	653,016

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 2019

	Note	2019 \$	2018 \$
Bar Sales		1,404,665	1,350,096
Cost of Goods Sold		598,974	567,020
Bar Gross Profit (\$)		805,691	783,076
Bar Gross Profit (%)		57.36%	58.00%
Poker Machine Net Revenue		1,439,553	1,417,103
Paper Gaming Commissions		170,605	171,327
Members Subscriptions		26,788	19,534
Interest Received		20	25
Golf Course Income		562,651	573,561
Profit on Sale of Fixed Assets		7,320	31,682
Other Income		617,398	550,234
Total Trading and Other Income		3,630,026	3,546,542
Expenses			
Bar Direct Expenses		447,943	427,958
Poker Machine Direct Expenses		418,106	402,944
Paper Gaming Direct Expenses		115,488	116,802
Golf Course Expenses		556,087	572,193
Member Amenities		797,213	810,011
Clubhouse Expenses		319,154	285,406
Administration Expenses		757,994	748,636
Borrowing Expenses		83,484	91,455
Total Expenses		3,495,469	3,455,405
Net Profit/(Loss) Before Income Tax		134,557	91,137
Income Tax Expense	6	-	-
Net Profit/(Loss) After Income Tax		134,557	91,137
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss)		134,557	91,137

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 2019

	2019	2018
	\$	\$
Cash Flows from Operating Activities		
Receipts from Members and Guests	4,586,687	4,409,584
Payments to Suppliers and Employees	(4,131,420)	(4,089,708)
Interest Received	20	25
Interest Paid	(83,484)	(91,445)
<i>Net Cash Flows provided by (used in) Operating Activities</i>	371,803	228,456
Cash Flows from Investing Activities		
Proceeds from Sale of Property, Plant and Equipment	7,320	31,820
Payments for Property, Plant and Equipment	(86,903)	(48,389)
<i>Net Cash Flows provided by (used in) Investing Activities</i>	(79,583)	(16,569)
Cash Flows from Financing Activities		
Proceeds from Borrowings	1,031,034	125,810
Hire Purchase Payments	(151,367)	(107,202)
Repayments of Borrowings	(1,094,846)	(253,681)
<i>Net Cash Flows provided by (used in) Financing Activities</i>	(215,179)	(235,073)
Net Increase/(Decrease) in Cash Held	77,041	(23,186)
Cash and Cash Equivalents at the Beginning of the Financial Year	35,890	59,076
Cash and Cash Equivalents at the End of the Financial Year	112,931	35,890

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 2019

	Note	2019 \$	2018 \$
Opening Balances 1 July 2018			
Accumulated Profits		653,016	561,879
Comprehensive Income/(Loss) for the year		134,557	91,137
Closing Balances 30 June 2019			
Accumulated Profits		787,573	653,016

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 2019

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 2019

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 2019

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 2019 current assets of the Club were \$351,000 compared to current liabilities of \$1,038,816 representing a deficiency in working capital of \$687,816. 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 2019

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

	2019	2018
	\$	\$
Bar Sales	1,404,665	1,350,096
Poker Machine Net Revenue	1,439,553	1,417,103
Interest Received/Receivable	20	25
Profit on Sale of Assets	7,320	31,682
Paper Gaming Commission	170,605	171,327
Golf Course Income	562,651	573,561
Other	644,186	562,621
Total	4,229,000	4,106,415

5 Operating Profit

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

Credits

Interest Received/Receivable	20	25
Profit on Sale of Assets	7,320	31,682

Charges

Depreciation		
- Bar	11,605	12,294
- Poker Machines	84,843	81,571
- Plant and Equipment	13,998	12,098
- Golf Course	53,636	54,801
Total Depreciation	164,082	160,764

Amortisation

- Amortisation of Club Equipment and Improvements	64,398	63,981
Total Amortisation	64,398	63,981

Interest and Finance Costs	83,484	91,455
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 2019

	2019	2018
	\$	\$
6 Income Tax Expense		
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	134,557	91,137
Income Tax thereon @ 30%	40,367	27,341
Non Deductible Expenses	9,718	9,718
Apportionment Adjustment Members Income and Expenses	(14,410)	(14,410)
Timing Differences not Brought into Account	33	33
Deferred Tax Asset for Tax Losses not Brought into Account	(22,682)	(22,682)
Income Tax Expense/(Benefit)	-	-
b) The Directors estimate that the potential Deferred Tax Asset at 30 June 2019 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.		
7 Cash and Cash Equivalents		
Cash and Cash Equivalents	140,413	118,642
	140,413	118,642
8 Trade and Other Receivables		
Current		
Other Debtors	24,479	27,044
	24,479	27,044
9 Inventories		
Stock on Hand	45,002	48,014
	45,002	48,014
10 Other Assets		
Current		
Prepayments	141,106	108,549
	141,106	108,549

TILLIGERRY RSL SPORTS CLUB LIMITED
(ACN 003 364 654)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

11 Property, Plant and Equipment

	Land, Building, Improvements & Golf Course	Poker Machines	Plant & Equipment	Total
Year ended 30 June 2019	\$	\$	\$	\$
At 1 July 2018,				
Net of Accumulated Depreciation/Amortisation	1,620,883	319,811	266,486	2,207,180
Additions	104,933	42,730	50,997	198,660
Disposals	-	-	-	-
Depreciation/Amortisation	(91,147)	(84,842)	(52,491)	(228,480)
At 30 June 2019				
Net of Accumulated Depreciation/Amortisation	<u>1,634,669</u>	<u>277,699</u>	<u>264,992</u>	<u>2,177,360</u>
At 1 July 2018				
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>
At 30 June 2019				
Cost or Fair Value	2,825,356	1,323,391	796,482	4,945,229
Accumulated Depreciation/Amortisation	(1,190,687)	(1,045,692)	(531,490)	(2,767,869)
Net Carrying Amount	<u>1,634,669</u>	<u>277,699</u>	<u>264,992</u>	<u>2,177,360</u>

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.

The land and buildings at Lot 451, 5 Reliance Blvd, Tanilba Bay was valued by Robertson and Robinson Valuers on 25 June 2018 for \$1,850,000.

	2019	2018
	\$	\$
12 Intangible Assets		
Non-Current		
Poker Machine Entitlements	140,369	140,369
	<u>140,369</u>	<u>140,369</u>
13 Trade and Other Payables		
GST Payable	75,479	70,677
Trade Creditors	220,765	197,149
Payroll Clearing Account	23,012	22,119
	<u>319,256</u>	<u>289,945</u>
14 Borrowings		
Current		
Bank Overdraft	27,482	82,752
Hire Purchase Liability	132,423	136,970
Loan - Insurance	137,944	104,842
Loan - RSL Australia (NSW Branch) (Secured)	-	134,430
Loan - National Australia Bank (Secured)	105,000	135,000
	<u>402,849</u>	<u>593,994</u>
Non Current		
Hire Purchase Liability	142,151	177,213
Loan - RSL Australia (NSW Branch) (Secured)	-	615,656
Loan - National Australia Bank (Secured)	683,171	-
	<u>825,322</u>	<u>792,869</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 2019

	2019	2018
	\$	\$
15 Provisions		
Current		
Provision for Annual Leave	93,759	81,566
Provision for Long Service Leave	131,180	134,288
	<u>224,939</u>	<u>215,854</u>
Non Current		
Provision for Long Service Leave	8,006	3,591
	<u>8,006</u>	<u>3,591</u>
16 Other Liabilities		
Current		
Income in Advance	91,772	90,982
	<u>91,772</u>	<u>90,982</u>
Non Current		
Income in Advance	9,012	9,547
	<u>9,012</u>	<u>9,547</u>

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.

Related Parties	Total Transactions	Amounts Outstanding at 30 June 2019
	\$	\$
R. Curry - Tilligerry Quality Meats	128,260	-
R. Curry - T & L Curry - Caterers	-	-

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

Short Term Employment benefits	172,125	161,980
Long Term Employment benefits	-	-
Post Employment benefits	17,466	16,634
	<u>189,591</u>	<u>178,614</u>

TILLIGERRY RSL SPORTS CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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 over Lot 451, Lemon Tree Passage Road, Tanilba Bay and 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 \$60,000 has been utilised to the value of \$10,682 and the asset financing facility totalling \$480,000 has been utilised to the value of \$274,573 as at 30 June 2019.

19 Commitments for Expenditure

Capital Commitments

The Club has not committed to any capital expenditure totalling since balance date. (2018 Nil)

Non Cancellable Rental Agreements

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

	2019	2018
	\$	\$
Not later than one year	62,796	62,796
Later than one year and not later than five	89,967	139,598
Later than five years	-	-
	<u>152,763</u>	<u>202,394</u>

20 Cashflow Reconciliation

Cash at Bank	140,413	118,642
Bank Overdraft	<u>(27,482)</u>	<u>(82,752)</u>
	<u>112,931</u>	<u>35,890</u>

21 New and revised accounting standards

During the current year, the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The company applies, for the first time, AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments. The application of these new accounting standards did not require current period or retrospective adjustments.

AASB 15: Revenue from Contracts with Customers

The company has adopted AASB 15 Revenue from Contracts with Customers, with a date of initial application of 1 May 2018. The application of AASB 15 replaces AASB 118 Revenue and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The adoption of AASB 15 has not materially impacted on the financial statements.

AASB 9: Financial instruments

The company has adopted AASB 9 Financial Instruments, with a date of initial application of 1 May 2018. AASB 9 replaces the provisions of AASB 139 Financial Instruments that relate to the recognition, classification and measurement of financial assets and financial liabilities, including derecognition and impairment. AASB 9 also amends other standards dealing with financial instruments such as AASB 7 Financial Instruments: Disclosures. The adoption of AASB 9 did not result in a significant change to the recognition or measurement of financial instruments for the company as presented in the financial report.

TILLIGERRY RSL SPORTS CLUB LIMITED
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DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

TRADING ACCOUNT	2019	2018
	\$	\$
STATEMENT OF BAR TRADING		
Sales	1,159,566	1,122,678
LESS COST OF SALES		
Opening Stock	21,494	26,021
Purchases	497,828	468,707
	<u>519,322</u>	<u>494,728</u>
Closing Stock	23,466	21,494
	<u>495,856</u>	<u>473,234</u>
GROSS PROFIT	<u>663,710</u>	<u>649,444</u>
DIRECT EXPENSES		
Depreciation	7,125	7,813
Freight & Gas	13,873	12,701
Hire of Plant	20,834	20,640
Repairs & Maintenance	6,256	7,408
Wages	316,393	307,010
DIRECT EXPENSES	<u>364,481</u>	<u>355,572</u>
NET PROFIT	<u>299,229</u>	<u>293,872</u>
STATEMENT OF POKER MACHINES		
Net Revenue	1,390,009	1,368,604
Hopper Movement	-	(4,834)
	<u>1,390,009</u>	<u>1,363,770</u>
DIRECT EXPENSES		
Central Monitoring System	19,551	19,080
Depreciation	84,843	79,564
Promotions	8,060	11,251
Repairs & Maintenance	18,681	16,310
Gaming Device Duty	147,299	142,133
Less: Gaming Tax Rebate	(17,180)	(17,180)
Wages	126,550	122,804
DIRECT EXPENSES	<u>387,804</u>	<u>373,962</u>
NET PROFIT	<u>1,002,205</u>	<u>989,808</u>

Detailed Profit and Loss Statement
Not Covered by Audit Report on Pages 5 to 7
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TILLIGERRY RSL SPORTS CLUB LIMITED
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DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
STATEMENT OF PAPER GAMING OPERATIONS		
Keno Commission	124,603	121,548
Tab Commission	27,592	26,100
	<hr/> 152,195	<hr/> 147,648
DIRECT EXPENSES		
Consumables & Maintenance	13,976	14,185
Promotion	6,008	10,049
Sky Channel	23,388	23,140
Wages	63,276	61,402
DIRECT EXPENSES	<hr/> 106,648	<hr/> 108,776
NET PROFIT	<hr/> 45,547	<hr/> 38,872
STATEMENT OF RAFFLES & BINGO TRADING		
Bingo & Raffle Income	248,865	222,313
LESS COST OF SALES		
Bingo & Raffle Purchases	281,255	292,080
GROSS PROFIT/(LOSS)	<hr/> (32,390)	<hr/> (69,767)
DIRECT EXPENSES		
Wages	27,454	26,936
DIRECT EXPENSES	<hr/> 27,454	<hr/> 26,936
NET PROFIT	<hr/> (59,844)	<hr/> (96,703)

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 2019

	2019 \$	2018 \$
STATEMENT OF BAR TRADING - GOLF CLUB		
Sales	245,099	227,418
LESS COST OF SALES		
Opening Stock	6,404	6,270
Purchases	103,024	93,920
	109,428	100,190
Closing Stock	6,310	6,404
	103,118	93,786
GROSS PROFIT	141,981	133,632
DIRECT EXPENSES		
Depreciation	4,480	4,481
Repairs & Maintenance	2,253	1,032
Wages	76,729	66,873
DIRECT EXPENSES	83,462	72,386
NET PROFIT	58,519	61,246
STATEMENT OF POKER MACHINES - GOLF CLUB		
Net Revenue	49,544	53,333
DIRECT EXPENSES		
Depreciation	-	2,007
Repairs & Maintenance	2,500	2,870
Duty Tax	(5,080)	(5,119)
Wages	32,882	29,224
DIRECT EXPENSES	30,302	28,982
NET PROFIT	19,242	24,351
STATEMENT OF KENO OPERATIONS - GOLF CLUB		
Commission	18,410	23,679
DIRECT EXPENSES		
Repairs & Maintenance	1,532	1,532
Wages	7,308	6,494
DIRECT EXPENSES	8,840	8,026
NET PROFIT/(LOSS)	9,570	15,653

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TILLIGERRY RSL SPORTS CLUB LIMITED
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DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
STATEMENT OF GOLF COURSE - GOLF CLUB		
Advertising Income	17,484	23,166
Cart Hire	95,795	93,225
Competition Fees	32,992	31,390
Fuel Tax Credits	8,125	6,490
Green Fees	213,702	218,991
Membership Subscription	97,561	104,468
Merchandise Sales	31,695	29,669
Refreshment Sales	31,557	32,780
Rental Income	41,865	39,872
	570,776	580,051
DIRECT EXPENSES		
Cart Costs	28,992	28,992
Course Maintenance	93,868	82,039
Depreciation	53,636	54,801
Fuel Costs	26,135	24,984
Machinery Costs	15,625	30,632
Merchandise Purchases	18,663	17,231
Refreshment Purchases	15,324	17,064
Rental of Course	17,514	17,813
Subscriptions	14,869	16,672
Trophies & Prizes	15,746	8,918
Wages	255,715	273,047
DIRECT EXPENSES	556,087	572,193
NET PROFIT	14,689	7,858
 TOTAL TRADING PROFIT	 1,389,157	 1,334,957

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TILLIGERRY RSL SPORTS CLUB LIMITED
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DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

INCOME	2019	2018
	\$	\$
TOTAL TRADING PROFIT	1,389,157	1,334,957
Members Subscriptions	18,663	13,044
ATM Commissions	43,850	44,507
Other Commissions	5,586	4,229
Exclusivity Rebate	41,780	42,973
Employee FBT Contribution	8,663	8,500
Insurance Recoveries	220,601	195,967
Interest Received	20	25
Profit on Sale of Assets	7,320	31,682
Wages Subsidy	8,535	14,489
Sundry Income	39,518	17,256
TOTAL INCOME	1,783,693	1,707,629
 LESS EXPENSES		
 MEMBERS AMENITIES		
Advertising & Promotions	19,257	21,332
Donations	32,569	34,142
Entertainment	108,076	119,236
AGM Expenses	1,621	1,106
Members Only Promotions	242,717	240,241
Courtesy Bus Expenses	17,746	9,954
Wages - Door & Transport	57,560	55,886
Wages - Child Care	8,958	9,098
	488,504	490,995
 CLUBHOUSE		
Cleaning Wages	71,072	64,482
Cleaning Materials	15,665	18,795
Electricity, Gas, Heating	127,094	117,124
Rates	21,025	22,066
Repairs & Maintenance	82,333	60,769
Security	1,965	2,170
	319,154	285,406

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TILLIGERRY RSL SPORTS CLUB LIMITED
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DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
ADMINISTRATION		
Accountancy & Audit Fees	10,500	10,500
Bank Charges	10,829	10,685
Cash Variances	4,508	6,567
Computer Expenses	14,776	15,076
Depreciation	13,998	12,098
Amortisation of Improvements	64,398	63,981
Hire of Plant	8,858	10,857
Insurance	120,509	84,524
Insurance - Workers' Compensation	26,952	26,358
Interest	83,484	91,455
Legal Costs	10,886	5,073
Long Service Leave Expense	1,308	10,505
Loss on Sale of Fixed Assets	-	-
Out of Pocket Expenses	2,823	2,096
Payroll Tax	29,683	29,095
Postage & Stationery	21,005	23,995
Rent - State Branch	422	11,811
Staff Amenities & Drinks	6,360	5,431
Subscriptions & Licences	20,488	19,869
Superannuation	131,934	136,311
Telephone	23,554	22,247
Uniforms	631	3,043
Wages	233,572	238,514
	<u>841,478</u>	<u>840,091</u>
TOTAL EXPENSES	<u>1,649,136</u>	<u>1,616,492</u>
OPERATING PROFIT/(LOSS)	<u>134,557</u>	<u>91,137</u>
RETAINED PROFITS AT THE BEGINNING OF THE FINANCIAL YEAR	653,016	561,879
RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR	<u>787,573</u>	<u>653,016</u>

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