

# Riverwood Sports and Recreation Club Ltd

ACN 000 290 406

PO Box 111  
283-285 Belmore Rd  
Riverwood NSW 2210

Ph (02) 9153 7560  
Fax (02) 9584 9815

## Financial Statements

For the year ended

31 May 2018

## PRESIDENTS REPORT

Dear Fellow Members

Once again a very good year for your club with a trading profit of \$221,542 (net after tax \$188,520) well down on 2016/17 but still very acceptable for a small club. There are a number of reasons for this including hardship in the general community and the downturn in property values that affects the valuation of our unit investments. Our 50% investment in the Captains Flat hotel caused some problems with our lessees terminating their agreement early and although others showed some interest it was incumbent on us to take over the running of the hotel and with some capital investment and with warmer months we are looking forward to a prosperous future as we have a very good and competent manager with some bright ideas.

The pelican club is very popular with those members who have joined and the outings have been most enjoyable.

The most exciting news is that we are renovating downstairs with kitchen facilities to be provided and we have already been approached by parties interested in running a restaurant. There will be some changes when the facility is operational the main one being that downstairs will not be available for functions (unless the restaurant is booked) the other being no food from outside the premises will be allowed.

There is no reason that the club's future is not secure as it is run with a financially aware board of directors and management with our staff being friendly and efficient.

Once again I thank you the members for your support of the club as I have said on many occasions this is your club, we the board are only custodians and you have put us here to guard the interests of the club.

This has been the most harrowing year in memory for the loss of members and loved ones and on behalf of the board I express our condolences.

Robert J Scott




President

**Treasures Report AGM 2018**

**It's that time of year again where we reflect on the performance of our club, although not as good a profit as last year but still a very good result with a ~~net~~ profit of \$243,520 a good bit down on the same period last year.**

**With poker machine revenue down and spending on improving the premises has taken it's toll , however with assets now over \$4.5 million which includes a very impressive property portfolio and cash assets of over \$1 million in my opinion is a very pleasing result.**

**Marcus Roche {Treasurer}**

 26/10/18

## **SECRETARY MANAGERS REPORT**

I am pleased to report this result, a trading profit of \$221,542 before tax, a very good result. I would like to thank the members for their patronage throughout the year and I hope to enjoy your company at the club in the coming years.

The Club will always be looking for new ways to keep trading profitably while still improving the amenities for the members at the club.

I would like to take this opportunity to thank the staff for their efforts and assistance during the year.

I would also like to thank the President and the Board of Directors for the assistance and support I get with the running of the club as this often goes unnoticed.

The board and management have a very good working relationship that is reflected in the trading figures and indeed throughout the club.

I am looking forward to the oncoming year as I think the future for our club is looking very good.

Yours faithfully,

Garry Parsons.  
Secretary Manager.

## GOLF CLUB REPORT 2018

Hi everyone another year has past and another good year for the golf club. Financially we are in a good position this is from good results on the wednesday and Thursday night raffles and great support from club patrons. Also the grant given to us from the mother club thank u for your continued support to the golf club without your help we wouldn't exist. Also I would like to thank Jim McAllister junior for providing us with the massive fruit trays every Thursday night and thanks to Max Hartis for picking up the seafood trays every Thursday night. Also thanks to the guys for helping out sell tickets in the raffles when called upon. If anyone is interested in a game of golf please don't hesitate to come and see Mick Buck as we are in desperate need of some new players. On to a sad note we lost our President and great mate during the year Brad Behrend our condolences go out to Brads family. This has left a huge hole in the golf club as Brad was a massive driving force behind the success of the golf club and a founding member. Brad may be gone but will always be in our minds and hearts. In finishing I would like to thank all the long time golfers for there continued support without u golfers we have no golf club.

PRESIDENT

MICK BUCK

**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Financial Statements**  
**For the Financial Year ended 31 May 2018**

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**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Directors' Report**  
**for the Financial Year ended 31 May 2018**

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Your directors present this report on the Company for the financial year ended 31 May 2018.

**Directors**

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

Mr Robert Scott  
Mr Kevin Parkes  
Mr Marcus Roche  
Ms Gina Taylor  
Mr Charlie Micallef  
Ms Ama Kopura  
Mr Garry Smith (Appointed April 2018)

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

**Principle Activities**

The principle activity of the company during the financial year was to provide services of a Licensed Sporting Club to its members.

No significant changes in the nature of the company's activity occurred during the financial year.

**Operating Results**

The net profit of the company amounted to \$243,520 (2017: \$523,723) after the payment of \$33,022 (2017: \$21,339) of Income Tax.

**Objectives**

**Short Term**

The Club's short-term objectives are:

- To promote a socially friendly environment within a small community-based club.
- To maintain a commitment to member activities including loyalty rewards, live entertainment, quality raffles and badge draws.
- To support charities, particularly in the area of childhood cancer and disabilities.
- To maintain quality and prompt services for our members and guests.

**Long Term**

The Club's long-term objectives are:

- To maintain sound financial responsibility and cash flow with an acceptable return on investments with a view to purchasing the club premises and or the adjacent William Road premises.
- To continue improving the premises and grow the business.
- To adhere to a policy of competitive bar pricing, taking into consideration local market forces as well as Government and supplier's policies.

**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Directors' Report**  
**for the Financial Year ended 31 May 2018**

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**Strategies**

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

- Ongoing review of operational procedures
- Growing the business
- Improving Operational procedures

**Key Performance Measures**

Key performance measures used by the Club are:

- The financial situation and performance is reviewed monthly.
- The following criteria is examined:
  - Gross profit from trading
  - Divisional net profit
  - Cash flows from operations

**Information on Directors in Office at the date of this report**

<b>Mr Robert Scott</b>	<ul style="list-style-type: none"><li>- President</li><li>- Retired</li><li>- President 2004-2018. Director 2001-2018. Member of Club since 1986.</li></ul>
<b>Mr Kevin Parkes</b>	<ul style="list-style-type: none"><li>- Vice President</li><li>- Customs Broker</li><li>- Director 2011-2018. Member of Club since 1980.</li></ul>
<b>Mr Marcus Roche</b>	<ul style="list-style-type: none"><li>- Treasurer</li><li>- Business Proprietor</li><li>- Director 2012-2018. Member of Club since 2004.</li></ul>
<b>Ms Gina Taylor</b>	<ul style="list-style-type: none"><li>- Director</li><li>- Administration Officer</li><li>- Director 2012-2018. Member of Club since 2002.</li></ul>
<b>Mr Charlie Micallef</b>	<ul style="list-style-type: none"><li>- Director</li><li>- Maintenance Engineer</li><li>- Director 2016-2018. Member of Club since 2010.</li></ul>
<b>Ms Ama Kopura</b>	<ul style="list-style-type: none"><li>- Director</li><li>- Store Person</li><li>- Director 2017-2018. Member of Club since 2015.</li></ul>
<b>Mr Garry Smith</b>	<ul style="list-style-type: none"><li>- Director</li><li>- Retired</li><li>- Director 2018. Member of Club since 2014.</li></ul>



**Riverwood Sports & Recreation Club Limited**  
ABN 75 000 290 406  
**Directors' Report**  
for the Financial Year ended 31 May 2018

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**Meetings of Directors**

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

**Directors' Meetings**

	<b>Eligible To Attend</b>	<b>Meetings Attended</b>
Mr Robert Scott	12	10
Mr Kevin Parkes	12	9
Mr Marcus Roche	12	12
Ms Gina Taylor	12	11
Mr Charlie Micallef	12	11
Ms Ama Kopura	12	12
Mr Garry Smith	2	2

Directors who retired or resigned during the year:

	<b>Eligible To Attend</b>	<b>Meetings Attended</b>
Mrs Mary Loutas	0	0
Mr Robert Stock	7	7
Mrs Catherine Thompson	3	3

**Members Limited Liability**


The Company is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the Company is wound up, the Articles of Association state that each member at the date of winding up, and each member who ceased to be a member within twelve months of the date of winding up, shall contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company. At 31 May 2018, the number of members was 541 (2017: 770). At that date, the total amount that members of the Company are liable to contribute if the Company is wound up is \$5,410 (2017: \$7,700).

**Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 31 May 2018 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors.

Robert Scott  
President



Dated

1/11/18

Marcus Roche  
Treasurer



**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Auditor's Independence Declaration to the**  
**Directors of Riverwood Sports & Recreation Club Limited**

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I declare that, to the best of my knowledge and belief, during the year ended 31 May 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.

Delante Accountants and Business Advisers Pty Ltd  
Chartered Accountants



David G Aston  
Director

TAREN POINT NSW 2229

Dated 2 November 2018

Riverwood Sports & Recreation Club Limited  
 ABN 75 000 290 406  
 Statement of Financial Position  
 For the Financial Year ended 31 May 2018

	Note	2018 \$	2017 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	1,067,275	867,825
Trade and other receivables	6	47,981	26,422
Inventories	7	44,234	38,361
Other assets	8	43,604	-
Financial assets	9	5,000	5,000
<b>Total Current Assets</b>		<b>1,208,094</b>	<b>937,608</b>
<b>Non-Current Assets</b>			
Financial assets	9	373,540	373,540
Property, plant and equipment	10	388,307	389,981
Investment properties	11	2,900,000	2,845,000
<b>Total Non-Current Assets</b>		<b>3,661,847</b>	<b>3,608,521</b>
<b>Total Assets</b>		<b>4,869,941</b>	<b>4,546,129</b>
<b>Current Liabilities</b>			
Trade and other payables	12	175,138	116,927
Provisions	13	30,592	63,369
Income tax payable	14	38,280	15,078
<b>Total Current Liabilities</b>		<b>244,010</b>	<b>195,374</b>
<b>Non-Current Liabilities</b>			
Provisions	13	45,442	13,786
<b>Total Non-Current Liabilities</b>		<b>45,442</b>	<b>13,786</b>
<b>Total Liabilities</b>		<b>289,452</b>	<b>209,160</b>
<b>Net Assets</b>		<b>4,580,489</b>	<b>4,336,969</b>
<b>Equity</b>			
Retained profits		4,336,969	3,813,246
Profit attributable to the Company		243,520	523,723
<b>Total Equity</b>		<b>4,580,489</b>	<b>4,336,969</b>

**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Statement of Comprehensive Income**  
**For the Financial Year Ended 31 May 2018**

	Note	2018 \$	2017 \$
<b>Revenue from Ordinary Activities</b>	2	6,730,460	7,221,338
Cost of sales		(4,810,534)	(5,274,397)
Employee benefit expense		(511,093)	(443,341)
Depreciation and amortisation expense		(201,134)	(200,034)
Occupancy expenses		(216,782)	(186,803)
Other expenses from ordinary activities		(769,375)	(673,087)
<b>Profit Before Income Tax Expense</b>		<b>221,542</b>	<b>443,676</b>
Income tax expense		(33,022)	(21,339)
<b>Profit After Income Tax Expense</b>		<b>188,520</b>	<b>422,337</b>
<b>Net Profit for the Year</b>		<b>188,520</b>	<b>422,337</b>
<b>Other Comprehensive Income</b>			
Net fair value (loss) gain on revaluation of investment properties		55,000	101,386
<b>Total Comprehensive Income for the Year</b>		<b>243,520</b>	<b>523,723</b>

**Riverwood Sports & Recreation Club Limited**  
ABN 75 000 290 406  
**Statement of Changes in Equity**  
**For the Financial Year Ended 31 May 2018**

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	Retained Earnings \$	Reserves \$	Total \$
<b>Balance at 31 May 2016</b>	3,813,246	-	3,813,246
Profit (loss) attributable to the Company	523,723	-	523,723
<b>Balance at 31 May 2017</b>	<u>4,336,969</u>	<u>-</u>	<u>4,336,969</u>
Profit (loss) attributable to the Company	243,520	-	243,520
Transfers to and from reserves	-	-	-
<b>Balance at 31 May 2018</b>	<u>4,580,489</u>	<u>-</u>	<u>4,580,489</u>

**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Cash Flow Statement**  
**For the Financial Year ended 31 May 2018**

	Note	2018 \$	2017 \$
<b>Cash Flows from Operating Activities</b>			
Cash received from trading		6,796,064	7,225,161
Grants received		17,180	17,180
Membership fees		2,486	2,914
Interest received		5,518	6,684
Rental income		109,430	110,238
Payment to suppliers and employees		(6,538,976)	(6,728,462)
Income tax paid		(9,820)	(30,816)
<b>Net Cash Generated from Operating Activities</b>		<b>381,882</b>	<b>602,899</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from sale of assets		24,140	11,320
Acquisition of investment property		-	-
Acquisition of property, plant and equipment		(206,572)	(146,146)
Acquisition of units in unit trust		-	(373,540)
<b>Net Cash Used in Investing Activities</b>		<b>(182,432)</b>	<b>(508,366)</b>
<b>Net Increase (Decrease) In Cash Held</b>		<b>199,450</b>	<b>94,533</b>
<b>Cash at Start of The Financial Year</b>		<b>867,825</b>	<b>773,292</b>
<b>Cash at Close of The Financial Year</b>		<b>1,067,275</b>	<b>867,825</b>

**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Notes to and forming part of the Financial Statements**  
**For the Financial Year ended 31 May 2018**

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**Note 1 – Summary of Significant Accounting Policies**

The financial statements cover Riverwood Sports & Recreation Club Limited as an individual entity. Riverwood Sports & Recreation Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

**Basis of Preparation**

Riverwood Sports & Recreation Club Limited applies the Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements and other applicable Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

The financial statements were authorised for issue on 01 November 2018 by the directors of the company.

**Significant Accounting Policies**

**Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Club and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

*Sales Revenue*

Sales revenue is recognised when the goods or services are provided.

*Interest Income*

Interest income is recognised as it accrues.

*Commission Revenue*

Commission revenue is recognised when control of a right to receive consideration for the provision of services has been attained.

*Gaming Machine Takings*

Gaming machine revenue is recognised when net takings in the gaming machines are counted.

**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Notes to and forming part of the Financial Statements**  
**For the Financial Year ended 31 May 2018**

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**Income Tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or non-deductible items. It is calculated using tax rates that have been enacted or are substantively enacted by the financial report date.

The Company, operating as a registered club, is liable for income tax on income derived from non-members, interest, dividends, rental income, commissions and capital gains. The principle of mutuality is used to calculate non-member income.

**Inventories**

Inventories, consisting of bar stocks on hand, are valued at cost.

**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.

*Leasehold Improvements*

Leasehold improvements are measured on the cost basis less depreciation and impairment losses.

*Plant and Equipment*

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

*Depreciation*

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold lands, are depreciated on a straight line or diminishing value basis over their useful lives to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvement.

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

Leasehold improvements	10%
Plant and equipment	9-40%
Gaming machines	40%



**Riverwood Sports & Recreation Club Limited**  
ABN 75 000 290 406  
**Notes to and forming part of the Financial Statements**  
**For the Financial Year ended 31 May 2018**

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

### **Investment Property**

Investment property, comprising residential home units, 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.

The fair value of an investment property is the amount for which the asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. Fair value of investment properties is determined annually by the directors based on an assessment of value by the managing real estate agents. Fair values are determined by the agent using market information, including prices for similar properties in comparable locations.

Changes to fair values of investment properties are recognised in the statement of comprehensive income in the period in which they occur.

### **Financial Instruments**

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments and accounts receivable and payable.

#### *Initial Recognition & Measurement*

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. Financial Instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

#### *Classification and Subsequent Measurement*

Financial instruments are subsequently measured at either fair value or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

#### *Fair Value*

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

#### *(i) Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market value and are subsequently measured at amortised cost.

**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Notes to and forming part of the Financial Statements**  
**For the Financial Year ended 31 May 2018**

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(ii) *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 entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iii) *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 not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(iv) *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**Impairment of Assets**

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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

**Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees at the end of the reporting period. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year has been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the company to employee superannuation funds and are charged as expenses when incurred.

**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Notes to and forming part of the Financial Statements**  
**For the Financial Year ended 31 May 2018**

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**Cash and Cash Equivalents**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than three months and net of bank overdraft.

**Trade and Other Payables**

Liabilities for trade creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Club.

**Leases**

Lease payments for operating leases where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**Comparative Figures**

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

**Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgments incorporated into the financial report 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 group.

**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).

Receivable and payable 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 receivable or payable 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.

**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Notes to and Forming Part of the Financial Statements**  
**For the Financial Year ended 31 May 2018**

	Note	2018 \$	2017 \$
<b>Note 2 – Revenue and Other Income</b>			
Operating Revenue			
Bar sales		718,388	643,184
Gaming machine revenue		5,747,436	6,340,289
Other sundry income		137,685	117,376
State Government grant		17,180	17,180
Subscriptions		3,266	2,723
		6,623,955	7,120,752
Other Revenue			
Gain on disposal of property, plant and equipment		22,684	6,811
Interest received		5,518	6,685
Net rental income		74,326	76,808
Trust distribution received		3,977	10,282
		106,505	100,586
Total Revenue		6,730,460	7,221,338
<b>Note 3 – Profit for the Year</b>			
Profit from ordinary activities before income tax has been determined after:			
Depreciation			
Furniture and fittings		7,256	9,158
Gaming machines		125,074	105,434
Leasehold amortisation		37,271	51,071
Plant and equipment		31,533	34,371
		201,134	200,034
Lease rental expenses – operating leases		104,912	80,633
Loss on sales of equipment		(5,655)	-
Amounts set aside to provision for employee entitlements		(1,121)	8,925
Employment expenses		512,214	434,416
		512,214	434,416

**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Notes to and forming part of the Financial Statements**  
**For the Financial Year ended 31 May 2018**

	Note	2018 \$	2017 \$
<b>Note 4 – Income Tax</b>			
The components of tax expenses comprise:			
Current tax		33,022	21,893
Under (over) provision in prior year		-	(554)
Income Tax Expense		33,022	21,339
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:			
Prima facie tax payable on profit from ordinary activities before income tax at 27.5%		60,924	122,010
Less: Tax effect of			
Tax effect of the application of the principle of mutuality		27,902	100,671
Income Tax Expense		33,022	21,339
<b>Note 5 – Cash and Cash Equivalents</b>			
Cash at bank		1,012,040	824,036
Cash on hand		55,235	43,789
Total Cash		1,067,275	867,825
<b>Note 6 – Trade and Other Receivables</b>			
<b>Current</b>			
GST refundable		7,506	-
Other accounts receivable		11,616	16,140
Trust distribution receivable		28,859	10,282
Total Receivables		47,981	26,422
<b>Note 7 – Inventories</b>			
Finished goods, at cost		44,234	38,361
<b>Note 8 – Other Assets</b>			
Prepayments		43,604	-

**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Notes to and forming part of the Financial Statements**  
**For the Financial Year ended 31 May 2018**

	Note	2018 \$	2017 \$
<b>Note 9– Financial Assets</b>			
<b>Current</b>			
Held to maturity financial assets			
Fixed term deposits		5,000	5,000
		<u>5,000</u>	<u>5,000</u>
<b>Non-Current</b>			
Available-for-Sale Financial Assets			
Units held in unlisted unit trust		373,540	373,540
		<u>373,540</u>	<u>373,540</u>
Total Financial Assets		<u>378,540</u>	<u>378,540</u>
<b>Note 10 – Property Plant and Equipment</b>			
Plant and Equipment			
At cost		1,604,014	1,637,028
Less accumulated depreciation		(1,263,934)	(1,332,545)
		<u>340,080</u>	<u>304,483</u>
Leasehold Improvements			
At cost		401,916	401,916
Less accumulated depreciation		(353,689)	(316,418)
		<u>48,227</u>	<u>85,498</u>
Total Property Plant and Equipment		<u>388,307</u>	<u>389,981</u>

**Movements in Carrying Amounts  
2018**

	Plant and Equipment \$	Leasehold Improvements \$	Total \$
Balance at the beginning of year	304,483	85,498	389,981
Additions	206,572	-	206,572
Disposals	(239,587)	-	(239,587)
Depreciation	(163,863)	(37,271)	(201,134)
Depreciation written back	232,475	-	232,475
Carrying amount at the end of year	<u>340,080</u>	<u>48,227</u>	<u>388,307</u>

**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Notes to and forming part of the Financial Statements**  
**For the Financial Year ended 31 May 2018**

Note	2018 \$	2017 \$
<b>Note 11 – Investment Properties</b>		
Investment Properties at Fair Value		
18/14-18 Coleridge Street, Riverwood	680,000	675,000
16/38-46 Cairds Avenue, Bankstown	580,000	560,000
408/55 Raymond Street, Bankstown	630,000	620,000
53/22-28 Raymond Street, Bankstown	510,000	500,000
14/18-20 Campbell Street, Punchbowl - at cost	500,000	490,000
	<u>2,900,000</u>	<u>2,845,000</u>
Gross rental income	109,430	110,238
Direct operating expenses	(35,104)	(33,429)
Net Rental Income	<u>74,326</u>	<u>76,809</u>

**Movements in Carrying Amounts  
2018**

	Investment Properties \$	Total \$
Balance at the beginning of year	2,845,000	2,845,000
Additions	-	-
Disposals	-	-
Movements in fair value	55,000	55,000
Balance at the end of year	<u>2,900,000</u>	<u>2,900,000</u>

**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Notes to and forming part of the Financial Statements**  
**For the Financial Year ended 31 May 2018**

	Note	2018 \$	2017 \$
<b>Current Liabilities</b>			
<b>Note 12 – Trade and Other Payables</b>			
Accrued charges		136,448	95,470
Trade accounts payable		38,690	18,741
Fees received in advance		-	779
GST payable		-	1,937
		175,138	116,927
<b>Note 13 – Provisions</b>			
<b>Current</b>			
Annual and long service leave		30,592	63,369
Total Current Liabilities		30,592	63,369
<b>Non-Current</b>			
Long service leave entitlements		45,442	17,410
Total Non-Current Liabilities		45,422	17,410
<b>Note 14 - Taxation</b>			
Income tax payable		38,280	15,078
Total Income Tax Payable		38,280	15,078
<b>Note 15 – Capital and Lease Commitments</b>			
Aggregate amount contracted for, but not provided for in the financial statements			
a. Lease of Premises			
Due within 1 year		114,293	81,305
Due within 1-2 years		333,353	-
Due within 2-5 years		-	-
		447,646	81,305

The lease of the premises was negotiated with the landlord for a 5-year period and signed on 6 October 2017. The lease will expire on 4 May 2022.



**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Notes to and forming part of the Financial Statements**  
**For the Financial Year ended 31 May 2018**

	Note	2018	2017
		\$	\$
<hr/>			
Aggregate amount contracted for, but not provided for in the financial statements			
b. Lease of Solar Panels			
Due within 1 year		7,724	-
Due within 1-2 years		30,898	-
Due within 2-5 years		12,874	-
		51,496	-
		51,496	-

The lease agreement for the solar panels was signed on 22 September 2017 and is for a 7 year period.

**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Notes to and forming part of the Financial Statements**  
**For the Financial Year ended 31 May 2018**

	Note	2018	2017
		\$	\$
<b>Note 16 – Key Management Personnel Compensation</b>			
<b>Total Compensation paid to Key Management Personnel</b>			
Key Management personnel include the Directors and Secretary Manager			
Key Management Personnel Compensation		149,248	136,833

**Note 17 – Other Related Party Transactions**

Related Parties

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

During part of the year the daughter of the Secretary Manager worked as a casual barperson on award rates as provided to other bar staff.

**Note 18 – 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, and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

Cash and cash equivalents	1,067,275	867,825
Trade and other receivables	47,981	26,422
Held-to-maturity investments	5,000	5,000
Available-for-sale assets	373,540	373,540
<b>Total Financial Assets</b>	<b>1,493,796</b>	<b>1,272,787</b>

Financial Liabilities at Cost

Trade and other payables	175,138	116,928
<b>Total Financial Liabilities</b>	<b>175,138</b>	<b>116,928</b>

**Note 19 – Events after the Reporting Period**

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

**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Notes to and forming part of the Financial Statements**  
**For the Financial Year ended 31 May 2018**

Note	2018	2017
	\$	\$

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**Note 20 – Company Details**

The registered office of the company is:

Riverwood Sports & Recreation Club Limited, 283 Belmore Road, Riverwood 2210

The principal place of business is:

283 Belmore Road, Riverwood 2210

The principal activities of the company are Licensed Sport & Recreation Club.

**Note 21 – Disclosure Requirements under Section 41J of the Registered Clubs Act**

**Core and Non-Core Property**

Section 41J of the Act defines core property as meaning any real property owned or occupied by the Club that comprises of:

- (a) the defined premises of the club, or
- (b) any facility provided by the club for use of its members and their guests' or
- (c) any other property declared, by resolution passed by a majority of the members present at the general meeting of the ordinary members of the club, not to be core property of the Club.

Non-core property is defined as meaning any real property owned or occupied by the Club that is not core property.

The directors consider the Club's premises at 283 Belmore Road, Riverwood which are leased by and occupied by the Club to be core Property. Leasehold improvements carried out at this property are disclosed at a value of \$48,226 (2017: \$85,498) at Note 10.

The directors consider the investment properties owned by the Club to be non-core property. Investment properties are disclosed at a value of \$2,900,000 (2017: \$2,845,000) at Note 11.

**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Directors' Declaration**  
**For the Financial Year ended 31 May 2018**

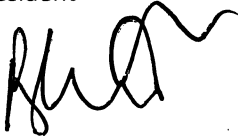
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The Directors of the Company declare that:

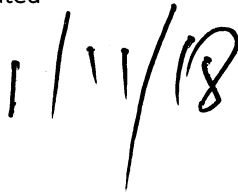
1. The financial statements and notes thereto are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Australian Accounting Standards, and
  - (b) give a true and fair view of the financial position as at 31 May 2018 and of the performance for the year ended on that date of the Club.
2. In the directors' opinion, there are reasonable grounds to believe that the Club 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.

Robert Scott  
President



Dated



Marcus Roche  
Treasurer



**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Independent Auditor's Report to the Members**  
**For the Financial Year ended 31 May 2018**

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**Audit Opinion**

**Opinion**

We have audited the financial report of Riverwood Sports & Recreation Club Limited (the Company), which comprises the statement of financial position as at 31 May 2018, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report of the Company is prepared, in all material respects, in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 31 May 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. 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 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 responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Riverwood Sports & Recreation Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

**Information Other than the Financial Report and Auditor's Report Thereon**

Those charged with governance are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 May 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.

**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Independent Auditor's Report to the Members**  
**For the Financial Year ended 31 May 2018**

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**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 – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

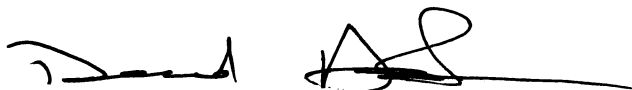
In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company 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 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.

A further description of our responsibilities for the audit of the financial report is detailed in Appendix A to the Auditor's Report.

Delante Accountants and Business Advisers Pty Ltd  
Chartered Accountants



David G Aston  
Director

TAREN POINT NSW 2229

Dated 2 November 2018

**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Independent Auditor's Report to the Members**  
**For the Financial Year ended 31 May 2018**

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**APPENDIX A to the Auditor's Report**

As part of an audit in accordance with 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 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 management.
- Conclude on the appropriateness of management'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 significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance 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.

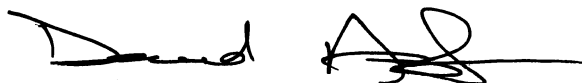
Riverwood Sports & Recreation Club Limited  
ABN 75 000 290 406  
Independent Auditor's Report to the Members  
For the Financial Year ended 31 May 2018

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**Auditor's Disclaimer to the Members**

The additional data presented in the Profit & Loss Statement and Trading accounts is in accordance with the books and records of Riverwood Sports & Recreation Club Limited (our client) which have been subjected to the auditing procedures applied in the statutory audit of the Company for the year ended 31 May 2018. It will be appreciated that the statutory audit did not cover all details of the financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than our client) in respect of such data, including any errors or omissions therein however caused.

Delante Accountants and Business Advisers Pty Ltd  
Chartered Accountants



David G Aston  
Director

TAREN POINT NSW 2229

Dated 2 November 2018



**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Detailed Profit and Loss Account**  
**For the Financial Year ended 31 May 2018**

	Note	2018 \$	2017 \$
<b>Income</b>			
ATM commission		12,242	11,640
Interest received		5,518	6,685
Keno commission		55,664	44,476
Membership fees		3,266	2,723
Net rental income		74,327	76,809
Sundry income		1,843	4,508
TAB commission		16,967	5,462
Trust distribution		3,977	10,282
Uber receipts		2,424	-
<b>Direct Profit (Loss):</b>			
Bar trading		32,310	54,278
Captains Flat trading		(48,193)	-
Gaming machine trading		931,111	1,047,499
Sports Council trading		-	-
		1,091,456	1,264,362
<b>Less: Direct Costs</b>			
Keno expenses		2,884	4,452
Raffles and Euchre		24,234	20,878
Social activities		167,950	157,292
Sports Council trading		1,410	1,709
		196,478	184,331
<b>Gross Income</b>		<b>894,978</b>	<b>1,080,031</b>
<b>Less: Indirect Expenses</b>			
<b>Club House Expenses</b>			
Cleaning and laundry		41,569	38,468
Depreciation		29,644	31,509
Electricity and gas		55,021	44,608
Leasehold amortisation		37,271	51,071
Lease solar panels		2,341	-
Rent		102,571	80,633
Repairs and maintenance – building		4,063	7,248
Repairs and maintenance – furniture and fittings		3,968	8,537
Waste removal		7,250	7,310
		283,698	269,384

**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Detailed Profit and Loss Account**  
**For the Financial Year ended 31 May 2018**

	Note	2018 \$	2017 \$
<b>Administration Expenses</b>			
Accountancy fees		11,465	14,775
Advertising		4,627	3,573
Audit fees		15,893	14,650
Bank charges		1,555	1,793
Cash loss		170	225
Computer expenses		-	1,495
Consultancy fees		4,180	3,960
Depreciation		7,256	9,158
Directors' honorarium		22,080	15,725
Donations		11,438	8,890
Employee entitlement – provision		(1,121)	8,925
General expenses		19,814	14,897
Insurance		31,059	40,182
Legal expenses		3,739	-
Rates and land tax		11,155	13,056
Salaries and wages		119,739	113,487
Security service		20,676	16,590
Sky Channel and TVN		20,989	20,370
Staff amenities		49	144
Staff training		2,350	2,350
Stamps, printing and stationery		2,786	704
Subscriptions and licences		22,248	19,701
Superannuation		41,708	34,950
Telephone		9,041	7,371
Uber expenses		6,842	-
		389,738	366,971
<b>Total Indirect Expenses</b>		<b>673,436</b>	<b>636,355</b>
<b>Net Income (Loss) Transferred</b>		<b>221,542</b>	<b>443,676</b>

**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Detailed Trading Account**  
**For the Financial Year ended 31 May 2018**

	Note	2018 \$	2017 \$
<b>Bar Trading Account</b>			
Sales			
Beer – Bulk		392,773	398,439
Bottles		75,036	71,635
Other		15,661	18,977
Spirits		168,009	154,133
<b>Total Sales</b>		<b>651,479</b>	<b>643,184</b>
Less: Cost of Sales			
Opening stock		38,361	33,179
Purchases		371,563	362,077
Closing stock		(37,368)	38,361
		372,556	356,895
<b>Gross Profit</b>		<b>278,923</b>	<b>286,289</b>
		<b>42.81%</b>	<b>44.51%</b>
Add: Sundry Income			
Cigarette commission		525	370
Pool table and jukebox		577	739
		1,102	1,109
		280,025	287,398
Less: Direct Bar Expenses			
Depreciation		1,889	2,862
General bar expenses		5,677	5,446
Repairs and replacements		7,153	10,327
Salaries and wages		232,996	214,485
		247,715	233,120
<b>Direct Profit Transferred</b>		<b>32,310</b>	<b>54,278</b>

**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Detailed Trading Account**  
**For the Financial Year ended 31 May 2018**

	Note	2018 \$	2017 \$
<b>Gaming Machine Trading Account</b>			
Receipts		5,747,436	6,340,289
Less: Payouts		4,437,978	4,920,541
<b>Net Takings</b>		<b>1,309,458</b>	<b>1,419,748</b>
Add: State Government GST Grant		17,180	17,180
Profit on Disposal of Asset		22,683	6,811
		<b>39,863</b>	<b>23,991</b>
		<b>1,349,321</b>	<b>1,443,739</b>
Less: Direct Expenses			
Depreciation		125,074	105,434
Gaming machine duty		130,767	164,340
Gaming machine promotion		15,786	5,545
Loss on disposal of assets		5,655	-
Maintenance and statistics		63,263	49,427
Salaries and wages		77,664	71,494
		418,209	396,240
<b>Direct Profit Transferred</b>		<b>931,112</b>	<b>1,047,499</b>
<b>Social Trading Account</b>			
Less: Receipts			
Special function receipts		409	500
Less: Direct Expenses			
AGM and Members expenses		2,235	4,485
Complimentary drinks		25,349	19,763
Entertainment		86,467	82,755
Fox Sports		26,456	21,804
Function meals		34	201
Members lucky number		27,818	28,784
		168,359	157,792
<b>Direct Costs Transferred</b>		<b>167,950</b>	<b>157,292</b>

**Riverwood Sports & Recreation Club Limited**  
**ABN 75 000 290 406**  
**Detailed Trading Account**  
**For the Financial Year ended 31 May 2018**

	Note	2018 \$	2017 \$
<b>Raffles and Euchre</b>			
Euchre Costs		4,750	4,750
Euchre Receipts		1,630	1,829
		<b>3,120</b>	<b>2,921</b>
Raffle costs		59,118	57,958
Super draw		7,400	7,850
		66,518	65,808
Less: Raffle Receipts		45,404	47,851
		21,114	17,957
<b>Direct Cost Transferred</b>		<b>24,234</b>	<b>20,878</b>
<b>Captains Flat Trading Account</b>			
Bar and food sales		66,909	-
		66,909	-
Less: Cost of Goods Sold		54,648	-
<b>Gross Profit (Loss)</b>		<b>12,261</b>	<b>-</b>
Less: Direct Expenses			
Bank charges		159	-
Electricity and gas		1,824	-
Insurance		8,727	-
Rent		8,727	-
Repairs and maintenance		388	-
Salary and wages		36,960	-
Superannuation		3,147	-
Telephone		522	-
		60,454	-
<b>Direct Profit (Loss) Transferred</b>		<b>(48,193)</b>	<b>-</b>