

Riverwood Sports and Recreation Club Ltd

ACN 000 290 406

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Riverwood NSW 2210

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Financial Statements

For the year ended

31 May 2019

Riverwood Sports and Recreation Club Ltd President's Report 2019

Dear fellow Members

Once again, the Club has finished the financial year with a trading profit on our activities of \$166,506.00. To detract from this result there was a slump in property prices and our revaluation shows a downturn in value of \$180,000.00. Of course, this is only paper money and the valuation took place in May when property was at its lowest, but property prices are slowly rising.

On a more sobering note we incurred a loss of \$169,406.00 on our Captains Flat Hotel, there being a number of reasons for this but primarily we were left with some heavy outgoings during the time that it was not tenanted; bills to pay including insurance, council, fire cover, electricity among others.

With the above figures in mind there was a profit before tax of \$14,230.00 and after tax of \$14,268.00. The Club finished the year with a loss of \$180,038.00. Once again, I remind you that \$180,000.00 is paper money and does not reflect our trading balance. The good news is that it is now tenanted, and these impositions are now not our responsibility.

Our renovations are nearing completion although taking longer than first anticipated owing to numerous regulations and compliances that had to be overcome as each stage was reached.

SuperSundays have become popular with some very talented bands performing. Your Club is the only one that I know of that has 3 badge draws a week, so I urge you to attend on these days and see if you are lucky enough to win one.

Many costs have risen and have been absorbed by the Club during the year including insurance, CPI index and stock supplies but the inevitable will occur and from Sunday the 27 October there will be a modest price rise across the bar. The good news is that happy hour remains the same, cheapest beer in Sydney.

To those who lost loved ones during the year, on behalf of the board I extend our deepest condolences.



Robert J Scott
President

Riverwood Sports and Recreation Club Ltd Treasurer's Report 2019

Hi all

We are at the end of another year with a Club profit of \$166,506.00, down on previous years due to a downturn in poker machine revenue. A disappointing result from our investment in Captains Flat Hotel which finished up with an operating loss of \$169,406.00.

Also, we have incurred a considerable write down on our investment properties resulting in a revaluation loss of \$180,000.00; with that loss and Captains Flat loss a total loss of \$180,038.00.

Considering the downturn, we still continue to improve the premises with an upcoming new restaurant and still have a property portfolio and cash total assets of over \$4,000,000.00.

A handwritten signature in black ink, appearing to read 'M. Roche', with a long horizontal flourish extending to the right.

Marcus Roche
Treasurer

Riverwood Sports and Recreation Club Ltd Secretary Manager's Report

I am pleased to report this result, a trading profit of \$166,506.00 before tax for the Riverwood Sports Club. A very good result but due to a \$180,000.00 write down of our investment property values and a loss from our Captains Flat Hotel of \$169,406.00 we have suffered a total loss of \$180,038.00.

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

A handwritten signature in black ink, appearing to be 'Garry Parsons', with a long horizontal flourish extending to the right.

Garry Parsons
Secretary Manager

Riverwood Sports and Recreation Club Ltd Golf Club Report 2019

It's been a steady year for the Golf Club been getting close to 16 players every game which is a good number. We are in a good position financially with continued support in the raffles from the Club patrons. These raffles are very important to the Club as it keeps green fees down and the Golf Club afloat.

I would like to also thank the Mother Club for their continued support with the yearly grant and other contributions throughout the year. I would also like to thank the guys who help out selling the raffles when I can't make it. Also, a big thank you to Jim McAllister for his donation of a massive fruit tray to every Thursday raffle.

Looking forward to next year as we have a great card of excellent courses. Thanks heaps Jenny Buck for that, done a great job.

Winners

Club Champion	-	Jim McAllister
Matchplay Champion	-	Carl Thompson
Doubles	-	Justin Arigho, Alan McDonnell
Brad Behrend Shield	-	Mick Buck



Mick Buck
Secretary

Riverwood Sports & Recreation Club Limited
ABN 75 000 290 406
Financial Statements
For the Financial Year ended 31 May 2019

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Riverwood Sports & Recreation Club Limited
ABN 75 000 290 406
Directors' Report
for the Financial Year ended 31 May 2019

Your directors present this report on the Company for the financial year ended 31 May 2019.

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 Linda Morehu (Appointed November 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 loss of the company amounted to \$188,038 (2018 net profit: \$243,520) after the payment of \$14,268 (2018: \$33,022) 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 2019

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

Mr Robert Scott	- President - Retired - President 2004-2019. Director 2001-2018. Member of Club since 1986.
Mr Kevin Parkes	- Vice President - Customs Broker - Director 2011-2019. Member of Club since 1980.
Mr Marcus Roche	- Treasurer - Business Proprietor - Director 2012-2019. Member of Club since 2004.
Ms Gina Taylor	- Director - Administration Officer - Director 2012-2019. Member of Club since 2002.
Mr Charlie Micallef	- Director - Maintenance Engineer - Director 2016-20189. Member of Club since 2010.
Ms Linda Morehu	- Director - Retired - Director 2018-2019. Member of Club since 2010.

Riverwood Sports & Recreation Club Limited
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Directors' Report
for the Financial Year ended 31 May 2019

Meetings of Directors

During the financial year, 11 meetings of directors were held. Attendees by each director were as follows:

Directors' Meetings

	Eligible To Attend	Meetings Attended
Mr Robert Scott	11	11
Mr Kevin Parkes	11	11
Mr Marcus Roche	11	10
Ms Gina Taylor	11	9
Mr Charlie Micallef	11	11
Ms Linda Morehu	7	7

Directors who retired or resigned during the year:

	Eligible To Attend	Meetings Attended
Mr Garry Smith	4	3
Ms Ama Kopura	7	6

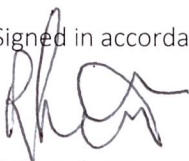
Members Limited Liability

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 2019, the number of members was 972 (2018: 541). At that date, the total amount that members of the Company are liable to contribute if the Company is wound up is \$9,720 (2018: \$5,410).

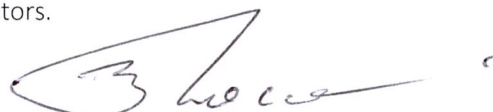
Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 May 2019 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



Marcus Roche
Treasurer

Dated

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

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

Delante Accountants and Business Advisers Pty Ltd
Chartered Accountants



David G Aston
Director

TAREN POINT NSW 2229

Dated

9/9/2019

Riverwood Sports & Recreation Club Limited
 ABN 75 000 290 406
 Statement of Financial Position
 For the Financial Year ended 31 May 2019

	Note	2019 \$	2018 \$
Current Assets			
Cash and cash equivalents	5	750,390	1,067,275
Trade and other receivables	6	140,743	47,981
Inventories	7	34,855	44,234
Other assets	8	18,190	43,604
Financial assets	9	5,000	5,000
Total Current Assets		949,178	1,208,094
Non-Current Assets			
Financial assets	9	373,540	373,540
Property, plant and equipment	10	433,337	388,307
Investment properties	11	2,891,898	2,900,000
Total Non-Current Assets		3,698,775	3,661,847
Total Assets		4,647,953	4,869,941
Current Liabilities			
Trade and other payables	12	154,492	175,138
Provisions	13	90,101	71,364
Income tax payable	14	0	38,280
Total Current Liabilities		244,593	284,782
Non-Current Liabilities			
Provisions	13	2,909	4,670
Total Non-Current Liabilities		2,909	4,670
Total Liabilities		247,502	289,452
Net Assets		4,400,451	4,580,489
Equity			
Retained profits		4,580,489	4,336,969
Profit/(loss) attributable to the Company		(180,038)	243,520
Total Equity		4,400,451	4,580,489

Riverwood Sports & Recreation Club Limited
 ABN 75 000 290 406
 Statement of Comprehensive Income
 For the Financial Year Ended 31 May 2019

	Note	2019 \$	2018 \$
Revenue from Ordinary Activities	2	5,983,213	6,730,460
Cost of sales		(4,022,638)	(4,865,182)
Employee benefit expense		(719,796)	(511,093)
Depreciation and amortisation expense		(186,969)	(201,134)
Occupancy expenses		(260,077)	(216,782)
Other expenses from ordinary activities		(779,503)	(714,727)
Profit/(Loss) Before Income Tax Expense		14,230	221,542
Income tax expense		(14,268)	(33,022)
Profit/(Loss) After Income Tax Expense		(38)	188,520
Net Profit/(Loss) for the Year		(38)	188,520
Other Comprehensive Income			
Net fair value gain/(loss) on revaluation of investment properties		(180,000)	55,000
Total Comprehensive Income/(loss) for the Year		(180,038)	243,520

Riverwood Sports & Recreation Club Limited
 ABN 75 000 290 406
 Statement of Changes in Equity
 For the Financial Year Ended 31 May 2019

	Retained Earnings \$	Reserves \$	Total \$
Balance at 31 May 2017	4,336,969	-	4,336,969
Profit/(loss) attributable to the Company	243,520	-	243,520
Balance at 31 May 2018	4,580,489	-	4,580,489
Profit/(loss) attributable to the Company	(180,038)	-	(180,038)
Transfers to and from reserves	-	-	-
Balance at 31 May 2019	4,400,451	-	4,400,451

Riverwood Sports & Recreation Club Limited
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 Cash Flow Statement
 For the Financial Year ended 31 May 2019

	Note	2019 \$	2018 \$
Cash Flows from Operating Activities			
Cash received from trading		6,044,200	6,796,064
Grants received		17,180	17,180
Membership fees		3,094	2,486
Interest received		3,171	5,518
Rental income		107,753	109,430
Payment to suppliers and employees		(6,045,881)	(6,538,976)
Income tax paid		(59,104)	(9,820)
Net Cash Generated from Operating Activities		70,413	381,882
Cash Flows from Investing Activities			
Proceeds from sale of assets		32,000	24,140
Acquisition of investment property		(171,898)	-
Acquisition of property, plant and equipment		(247,400)	(206,572)
Acquisition of units in unit trust		-	-
Net Cash Used in Investing Activities		(387,298)	(182,432)
Net Increase (Decrease) In Cash Held		(316,885)	199,450
Cash at Start of The Financial Year		1,067,275	867,825
Cash at Close of The Financial Year		750,390	1,067,275

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 2019

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 6 September 2019 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
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Notes to and forming part of the Financial Statements
For the Financial Year ended 31 May 2019

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
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Notes to and forming part of the Financial Statements
For the Financial Year ended 31 May 2019

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
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Notes to and forming part of the Financial Statements
For the Financial Year ended 31 May 2019

(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
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Notes to and forming part of the Financial Statements
For the Financial Year ended 31 May 2019

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 2019

	Note	2019 \$	2018 \$
Note 2 – Revenue and Other Income			
Operating Revenue			
Bar sales		1,042,433	718,388
Gaming machine revenue		4,617,288	5,747,436
Other sundry income		160,748	137,685
State Government grant		17,180	17,180
Members Fees		3,094	3,266
		5,840,743	6,623,955
Other Revenue			
Gain on disposal of property, plant and equipment		22,570	22,684
Insurance Claim		29,871	-
Interest received		3,171	5,518
Net rental income		69,727	74,326
Trust distribution received		17,131	3,977
		142,470	106,505
Total Revenue		5,983,213	6,730,460

Note 3 – Profit for the Year

Profit from ordinary activities before income tax has been determined after:

Depreciation			
Furniture and fittings		6,982	7,256
Gaming machines		119,999	125,074
Leasehold amortisation		28,785	37,271
Plant and equipment		31,203	31,533
		186,969	201,134
Lease rental expenses – operating leases		151,570	104,912
Loss on sales of equipment		(5,972)	(5,655)
Amounts set aside to provision for employee entitlements		16,976	8,925
Employment expenses		719,796	512,214

Riverwood Sports & Recreation Club Limited
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 Notes to and forming part of the Financial Statements
 For the Financial Year ended 31 May 2019

	Note	2019 \$	2018 \$
Note 4 – Income Tax			
The components of tax expenses comprise:			
Current tax		-	33,022
Under (over) provision in prior year		14,268	-
Income Tax Expense		<u>14,268</u>	<u>33,022</u>
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
Less: Tax effect of			
Tax effect of the application of the principle of mutuality		-	27,902
Income Tax Expense		<u>-</u>	<u>33,022</u>
Note 5 – Cash and Cash Equivalents			
Cash at bank		698,895	1,012,040
Cash on hand		51,495	55,235
Total Cash		<u>750,390</u>	<u>1,067,275</u>
Note 6 – Trade and Other Receivables			
Current			
GST refundable		-	7,506
Income tax refundable		6,556	-
Other accounts receivable		24,012	11,616
Other related parties		87,535	-
Trust distribution receivable		22,640	28,859
Total Receivables		<u>140,743</u>	<u>47,981</u>
Note 7 – Inventories			
Finished goods, at cost		<u>34,855</u>	<u>44,234</u>
Note 8 – Other Assets			
Prepayments		<u>18,190</u>	<u>43,604</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 2019

	Note	2019 \$	2018 \$
Note 9– Financial Assets			
Current			
Held to maturity financial assets			
Fixed term deposits		5,000	5,000
		5,000	5,000
Non-Current			
Available-for-Sale Financial Assets			
Units held in unlisted unit trust		373,540	373,540
		373,540	373,540
Total Financial Assets		378,540	378,540

Note 10 – Property Plant and Equipment

Plant and Equipment			
At cost		1,738,462	1,604,014
Less accumulated depreciation		(1,360,936)	(1,263,934)
		377,526	340,080
Leasehold Improvements			
At cost		438,285	401,916
Less accumulated depreciation		(382,474)	(353,689)
		55,811	48,227
Total Property Plant and Equipment		433,337	388,307

Movements in Carrying Amounts 2019	Plant and Equipment \$	Leasehold Improvements \$	Total \$
Balance at the beginning of year	340,080	48,227	388,307
Additions	211,032	36,369	247,401
Disposals	(76,583)	-	(76,583)
Depreciation	(158,184)	(28,785)	(186,969)
Depreciation written back	61,181	-	61,181
Carrying amount at the end of year	377,526	55,811	433,337

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 2019

	Note	2019 \$	2018 \$
Note 11 – Investment Properties			
Investment Properties at Fair Value			
18/14-18 Coleridge Street, Riverwood		650,000	680,000
16/38-46 Cairds Avenue, Bankstown		510,000	580,000
408/55 Raymond Street, Bankstown		600,000	630,000
53/22-28 Raymond Street, Bankstown		480,000	510,000
14/18-20 Campbell Street, Punchbowl		480,000	500,000
220/368 Sussex Street, Sydney – at cost		171,898	-
		<u>2,891,898</u>	<u>2,900,000</u>
Gross rental income		107,753	109,430
Direct operating expenses		(38,026)	(35,104)
Net Rental Income		<u>69,727</u>	<u>74,326</u>

**Movements in Carrying Amounts
2019**

	Investment Properties \$	Total \$
Balance at the beginning of year	2,900,000	2,900,000
Additions	171,898	171,898
Disposals	-	-
Movements in fair value	(180,000)	(180,000)
Balance at the end of year	<u>2,891,898</u>	<u>2,891,898</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 2019

	Note	2019 \$	2018 \$
Current Liabilities			
Note 12 – Trade and Other Payables			
Accrued charges		91,144	136,448
Trade accounts payable		14,180	38,690
GST payable		49,168	-
		154,492	175,138
Note 13 – Provisions			
Current			
Annual and long service leave		90,101	71,364
Total Current Liabilities		90,101	71,364
Non-Current			
Long service leave entitlements		2,909	4,670
Total Non-Current Liabilities		2,909	4,670
Note 14 - Taxation			
Income tax payable		-	38,280
Total Income Tax Payable		-	38,280
Note 15 – Capital and Lease Commitments			
Aggregate amount contracted for, but not provided for in the financial statements			
a. Lease of Premises			
Due within 1 year		118,007	114,293
Due within 1-2 years		226,180	333,353
Due within 2-5 years		-	-
		344,188	447,646

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 2019

	Note	2019 \$	2018 \$
Note 15 – Capital and Lease Commitments, continued.			
Aggregate amount contracted for, but not provided for in the financial statements			
b. Lease of Solar Panels			
Due within 1 year		7,724	7,724
Due within 1-2 years		30,898	30,898
Due within 2-5 years		5,150	12,874
		43,772	51,496

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

Note 16 – Key Management Personnel Compensation

Total Compensation paid to Key Management Personnel

Key Management personnel include the Directors and Secretary Manager

Key Management Personnel Compensation		136,800	149,248
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Note 17 – Other Related Party Transactions

a. 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.

b. Loans to Other Related Parties

Beginning of the Year			
Loans advanced		87,535	
End of the Year		87,535	

An unsecured loan was provided to a related party during the year. The balance of the loan will be repaid over the next four years.

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 2019

	Note	2019 \$	2018 \$
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		753,390	1,067,275
Trade and other receivables		46,652	47,981
Held-to-maturity investments		5,000	5,000
Available-for-sale assets		373,540	373,540
Total Financial Assets		1,178,582	1,493,796
Financial Liabilities at Cost			
Trade and other payables		154,492	175,138
Total Financial Liabilities		154,492	175,138

Note 19 – Events after the Reporting Period

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

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.

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 2019

Note	2019 \$	2018 \$
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Note 21 – Disclosure Requirements under Section 41J of the Registered Clubs Act, continued

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 \$55,811 (2018: \$48,227) 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 \$2,891,898 (2018: \$2,900,000) at Note 11.

Riverwood Sports & Recreation Club Limited
ABN 75 000 290 406
Directors' Declaration
For the Financial Year ended 31 May 2019

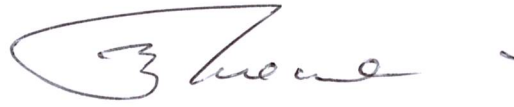
The Directors of the Company declare that:

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 2019 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



Marcus Roche
Treasurer

07/09/19

Dated

Riverwood Sports & Recreation Club Limited
ABN 75 000 290 406
Independent Auditor's Report to the Members
For the Financial Year ended 31 May 2019

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 2019, 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 2019 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 2019, 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 2019

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.

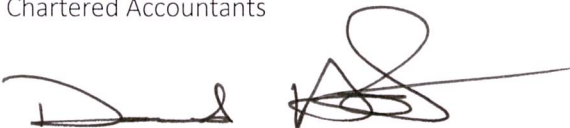
In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company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

9/9/2019

Riverwood Sports & Recreation Club Limited
ABN 75 000 290 406
Independent Auditor's Report to the Members
For the Financial Year ended 31 May 2019

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.

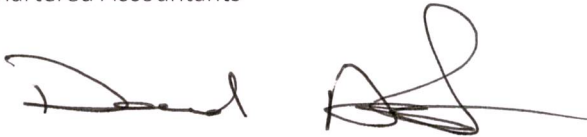
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Riverwood Sports & Recreation Club Limited
ABN 75 000 290 406
Independent Auditor's Report to the Members
For the Financial Year ended 31 May 2019

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 2019. 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 9/9/2019

Riverwood Sports & Recreation Club Limited
 ABN 75 000 290 406
 Detailed Profit and Loss Account
 For the Financial Year ended 31 May 2019

	Note	2019 \$	2018 \$
Income			
ATM commission		12,549	12,242
Interest received		3,171	5,518
Insurance Claim		29,871	0
Keno commission		71,710	55,664
Membership fees		3,094	3,266
Net rental income		69,727	74,327
Sundry income		986	1,843
TAB commission		20,826	16,967
Trust distribution		17,131	3,977
Uber receipts		3,422	2,424
Direct Profit (Loss):			
Bar trading		12,677	32,310
Captains Flat trading		(169,407)	(48,193)
Gaming machine trading		847,330	931,111
		923,087	1,091,456
Less: Direct Costs			
Keno expenses		3,614	2,884
Raffles and Euchre		22,584	24,234
Social activities		170,960	167,950
Sports Council trading		1,869	1,410
TAB expenses		5,363	-
		204,390	196,478
Gross Income		718,697	894,978
Less: Indirect Expenses			
Club House Expenses			
Cleaning and laundry		42,309	41,569
Depreciation		28,782	29,644
Electricity and gas		47,543	55,021
Leasehold amortisation		28,785	37,271
Lease solar panels		7,022	2,341
Rent		104,184	102,571
Repairs and maintenance – building		10,593	4,063

Riverwood Sports & Recreation Club Limited
 ABN 75 000 290 406
 Detailed Profit and Loss Account
 For the Financial Year ended 31 May 2019

	Note	2019 \$	2018 \$
Repairs and maintenance – furniture and fittings		11,430	3,968
Waste removal		7,420	7,250
		288,068	283,698
Administration Expenses			
Accountancy fees		18,595	11,465
Advertising		5,168	4,627
Audit fees		17,229	15,893
Bank charges		3,059	1,555
Cash loss		7,660	170
Computer expenses		809	-
Consultancy fees		4,265	4,180
Depreciation		6,982	7,256
Directors' honorarium		11,710	22,080
Donations		12,464	11,438
Employee entitlement – provision		16,976	(1,121)
General expenses		6,349	19,814
Insurance		54,718	31,059
Legal expenses		-	3,739
Rates and land tax		11,568	11,155
Salaries and wages		112,968	119,739
Security service		19,429	20,676
Sky Channel and TVN		21,113	20,989
Sponsorship		5,000	-
Staff amenities		6	49
Staff training		1,175	2,350
Stamps, printing and stationery		1,793	2,786
Subscriptions and licences		16,591	22,248
Superannuation		41,982	41,708
Telephone		8,909	9,041
Uber expenses		9,881	6,842
		416,399	389,738
Total Indirect Expenses		704,467	673,436
Net Income (Loss)		14,230	221,542

Riverwood Sports & Recreation Club Limited
 ABN 75 000 290 406
 Detailed Trading Account
 For the Financial Year ended 31 May 2019

	Note	2019 \$	2018 \$
Bar Trading Account			
Sales			
Beer – Bulk		394,391	392,773
Bottles		62,039	75,036
Other		14,789	15,661
Spirits		131,646	168,009
Total Sales		602,865	651,479
Less: Cost of Sales			
Opening stock		37,368	38,361
Purchases		347,931	371,563
Closing stock		(34,855)	(37,368)
		350,444	372,556
Gross Profit		252,421	278,923
		41.87%	42.81%
Add: Sundry Income			
Cigarette commission		525	525
Pool table and jukebox		207	577
		732	1,102
		253,153	280,025
Less: Direct Bar Expenses			
Depreciation		2,421	1,889
General bar expenses		3,867	5,677
Repairs and replacements		11,372	7,153
Salaries and wages		222,816	232,996
		240,476	247,715
Direct Profit Transferred		12,677	32,310

Riverwood Sports & Recreation Club Limited
 ABN 75 000 290 406
 Detailed Trading Account
 For the Financial Year ended 31 May 2019

	Note	2019 \$	2018 \$
Gaming Machine Trading Account			
Receipts		4,617,288	5,747,436
Less: Payouts		3,427,288	4,437,978
Net Takings		1,190,000	1,309,458
Add: State Government GST Grant		17,180	17,180
Profit on Disposal of Asset		22,570	22,683
		39,750	39,863
		1,229,750	1,349,321
Less: Direct Expenses			
Depreciation		119,999	125,074
Gaming machine duty		102,380	130,767
Gaming machine promotion		16,648	15,786
Loss on disposal of assets		5,972	5,655
Maintenance and statistics		56,584	63,263
Salaries and wages		80,837	77,664
		382,420	418,209
Direct Profit Transferred		847,330	931,112
Social Trading Account			
Add: Receipts			
Special function receipts		582	409
Less: Direct Expenses			
AGM and Members expenses		2,936	2,235
Complimentary drinks		36,389	25,349
Entertainment		84,565	86,467
Fox Sports		24,067	26,456
Function meals		35	34
Members lucky number		23,550	27,818
		171,542	168,359
Direct Costs Transferred		170,960	167,950

Riverwood Sports & Recreation Club Limited
 ABN 75 000 290 406
 Detailed Trading Account
 For the Financial Year ended 31 May 2019

	Note	2019 \$	2018 \$
Raffles and Euchre			
Euchre Costs		4,750	4,750
Euchre Receipts		1,176	1,630
		3,574	3,120
Raffle costs		59,275	59,118
Super draw		8,500	7,400
		67,775	66,518
Less: Raffle Receipts		48,765	45,404
		19,010	21,114
Direct Cost Transferred		22,584	24,234
Captains Flat Trading Account			
Bar and food sales		439,568	66,909
		439,568	66,909
Less: Cost of Goods Sold		244,906	54,648
Gross Profit (Loss)		194,662	12,261
Less: Direct Expenses			
Bank charges		3,094	159
Electricity and gas		27,633	1,824
Insurance		27,531	8,727
Rent		40,364	8,727
Repairs and maintenance		2,262	388
Salary and wages		239,499	36,960
Superannuation		21,694	3,147
Telephone		1,992	522
		364,069	60,454
Direct Profit (Loss) Transferred		(169,407)	(48,193)