

## DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31 December 2017.

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

### DIRECTORS

Ross Jones

David McMullen

Leigh Spence

Dennis Lowe

Maurice Hyde (appointed: 11/07/2017)

Shayne Bellemy (appointed 9/08/2017)

Sam Romano (resigned: 10/04/2017)

Ross Newton (resigned: 10/04/2017)

### Information on Directors

The particulars of the qualifications, experience & special responsibilities of the directors of the company are as follows:

Name	Qualifications	Service on Board	Special Responsibilities
Ross Jones	Manager	18 years	President
David McMullen	Council Employee	11 years	Vice President
Leigh Spence	Telecommunications Worker	9 years	
Dennis Lowe	Project Manager	7 years	
Sam Romano	Telecommunications Worker	8 years	
Ross Newton	Maintenance Worker	4 years	
Maurice Hyde	Glazier	9 years	
Shayne Bellemy	Builder		

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

### PRINCIPLE ACTIVITIES, OBJECTIVES & COMPANY STRATEGY

The principal objectives of the company are:

- . to promote, conduct & register junior & senior rugby league teams in the Penrith & local districts.
- . in accordance with a joint venture agreement with the Penrith Panthers Rugby League Club, provide a pathway for selection in higher competitions and as a career.
- . to provide ongoing financial support for rugby league teams.
- . to provide & maintain the oval & surrounding grounds.
- . to provide up to date club house facilities for rugby league teams, officials, volunteers & supporters.
- . to promote the Windsor Wolves Rugby League brand.
- . to substantially improve the cash flow of the company.

Other objectives & activities are as follows:

- . the conduct of a licensed social, sporting and recreation club at South Windsor and surrounding district
- . focus on providing benefits to members and their guests commensurate with a club of this size

To achieve these objectives, the company has adopted the following strategies:

The company measures of performance are based on financial and non-financial factors. The company measures and compares key performance indicators and expectations on a monthly basis to core business activities being gaming, beverage, community support and promotion. The pursuit of a successful rugby league team in New South Wales Rugby League competitions. There is constant monitoring of cost control, debt levels, cash flows and capital expenditure. However, the company must substantially reduce expenditure, reduce the payment for plant, equipment, building & ground improvements to improve cash flow. Revenues do not appear to be on the increase. On a non-financial level, to continually monitor satisfaction levels of facilities, entertainment, services and support to members and their guests. To assist funding and provide facilities for sporting and community welfare groups where financially responsible.

WINDSOR LEAGUES CLUB LIMITED  
ABN 76 001 263 663

**DIRECTORS' REPORT** continued

**PERFORMANCE**

The company earned a net profit before income tax of \$149,565 compared to a net loss of \$10,107 last year. Included in net profit was the sale of Gaming Licenses for \$280,000 excluding GST. Earnings before interest, taxes, depreciation and amortisation (EBITDA) was \$715,923 compared to \$539,976 last year, an increase on last year of \$175,947 or 33%. The company's revenue increased from \$6,109,870 to \$6,253,725 a gain of \$143,855 or 2%. Profit from gaming decreased by 5% during the year to \$1,670,273. The loss from Rugby League participation decreased from \$163,357 last year to \$57,190, a fall of 65%.

A total of 42 junior & senior rugby league teams were registered in the Penrith & local Rugby League competitions, up from 38 in the previous year.

The company's financial performance is measured on an ongoing basis to key performance indicators in core business activities. Past performance, general economic conditions in the district and elsewhere and industry benchmarks are considered. The company has not had the ability to pay its suppliers & finance repayments on normal terms of trade due to cash flow restraints.

**DIRECTORS' MEETINGS**

During the financial year, 12 meetings of directors were held. The number of meetings attended by each director during the year is as follows:

Directors	Board Meetings Attended	Board Meetings Eligible to Attend
Ross Jones	12	12
David McMullen	12	12
Leigh Spence	12	12
Dennis Lowe	10	12
Maurice Hyde	6	6
Shayne Bellemy	5	5
Sam Romano	3	3
Ross Newton	3	3

**MEMBERSHIP**

The company has football, associate, & life members. The total number of members of the company including life members was 8,399. Should the company be wound up, the members of the company are liable to contribute no more than five dollars. The collective liability of members was \$41,995 (last year \$35,780).

**NEW CHIEF EXECUTIVE OFFICER**

The board of directors would like to use this opportunity to welcome Craig Norman as CEO to the club. We would also like to thank outgoing CEO, Christopher Carl for his long years of service and wish him and his family well for the future.

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration for the year ended 31 December 2017 was received and is attached. It forms part of the Directors' Report.

Ross Jones  
Director

Signed at Windsor on 29 March 2018 in accordance with a resolution of directors.

WINDSOR LEAGUES CLUB LIMITED  
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**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Windsor Leagues Club Limited, the directors of the company declare that:

1. The financial statements and notes, being the statement of profit or loss statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements are in accordance with the Corporations Act 2001 and:
  - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position of the company as at 31 December 2017 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

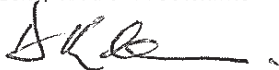
Ross Jones  
Director

Dated: 29 March 2018

**DISCLAIMER**

The Trading Statements are in accordance with the books and records of Windsor Leagues Club Limited which have been subject to the auditing procedures applied in our statutory audit of the company for the year ended 31 December 2017. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given. In accordance with our policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the company) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

DK AUDIT ACCOUNTANTS PTY LTD  
Chartered Accountants



Director: David Kean  
97 Francis Street, Richmond  
Dated: 29 March 2018

WINDSOR LEAGUES CLUB LIMITED

ABN 76 001 263 663

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	NOTE	2017 \$	2016 \$
<b>REVENUE</b>			
Rugby League Club Operations		637,075.68	549,794.78
Gaming		2,388,235.49	2,499,391.14
Beverage Trading		1,341,601.04	1,413,569.28
TAB		17,881.11	18,513.25
Catering		1,263,012.24	1,273,345.42
Raffles and Bingo		159,164.50	178,570.18
Keno		38,846.35	35,408.34
Members' Subscriptions		11,049.63	17,785.62
Commissions & Telephone Receipts		70,495.51	79,211.11
Government GST Reimbursement Received		17,180.00	17,180.00
Rent Received		20,460.00	-
Profit(Loss) on Sale of Non-current Assets		(1,818.18)	(19,704.35)
Profit on Sale of Gaming Licences		280,000.00	-
Other Income		31,002.16	46,805.22
<b>TOTAL</b>		<u>6,274,185.53</u>	<u>6,109,869.99</u>
<b>EXPENDITURE</b>			
General Operating Expenses		993,152.61	1,015,231.01
Finance Charges		145,493.13	143,958.93
Occupancy Costs		488,234.58	473,911.06
Entertainment, Promotion & Sponsorship		357,417.97	335,899.59
Rugby League Club Operations		694,265.84	713,151.52
Gaming		717,962.11	737,557.61
Beverage Trading		1,081,756.89	1,099,463.55
TAB		57,514.75	60,646.99
Catering		1,296,126.05	1,228,088.25
Raffles and Bingo		287,307.01	306,291.36
Keno		5,390.03	5,777.31
<b>TOTAL</b>		<u>6,124,620.97</u>	<u>6,119,977.18</u>
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>		149,564.56	(10,107.19)
Income tax expense		-	-
<b>NET PROFIT (LOSS) FOR THE YEAR</b>		<u>149,564.56</u>	<u>(10,107.19)</u>
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Net Gain (Loss) on Revaluation of Non-Current Assets		-	-
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Net Fair Value Gain (Loss) on Revaluation of Financial Assets		-	-
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income attributable to Members</b>		<u>149,564.56</u>	<u>(10,107.19)</u>

The accompanying notes form part of these financial statements

WINDSOR LEAGUES CLUB LIMITED  
ABN 76 001 263 663

**TRADING STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	\$	\$
<b>RUGBY LEAGUE CLUB OPERATIONS</b>		
<b>Revenue</b>		
Sponsorship, Grants & Advertising	373,506.68	341,006.39
Registration & Insurance Receipts	80,759.39	79,546.56
Canteen Sales	110,835.80	96,485.17
Fundraising	50,219.84	18,377.72
Gate Takings	-	1,996.65
Gear & Clothing Sales	19,603.97	12,382.29
Photo Money	2,150.00	-
	637,075.68	549,794.78
<b>Less: Expenses</b>		
Canteen Purchases	49,601.71	57,955.41
Canteen Supervisor	2,745.00	4,558.79
Council, Water Rates & Water	4,827.28	4,883.90
Depreciation - Capital Works	90,693.80	91,952.86
Electricity	26,212.65	9,489.17
Fundraising Expenses	43,605.41	23,725.45
Gear & Clothing Purchases	111,178.31	66,134.20
Less: Gear Closing Stock	(9,563.73)	(10,818.09)
Sponsorship of Rugby League	138,875.00	256,854.50
Registration & Insurance Costs	32,658.19	28,822.72
Repairs & Ground Maintenance	37,243.50	32,878.97
Telephone & Facsimile	5,047.52	4,602.13
Printing, Postage & Stationery	10,786.98	15,793.07
Sponsorship & Related Expenses	3,881.90	8,656.58
Medical & Training	23,911.04	15,940.06
Wages	50,391.62	50,355.75
Superannuation	4,734.32	4,672.02
Rugby League Expenses	27,101.31	33,264.09
Presentation Night	21,034.63	5,236.32
Other Rugby League Expenses	19,299.40	8,193.62
	694,265.84	713,151.52
<b>LOSS FROM TRADING</b>	<b>(57,190.16)</b>	<b>(163,356.74)</b>
 Number of Rugby League teams registered	 42	 38

WINDSOR LEAGUES CLUB LIMITED  
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**TRADING STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	\$	\$
<b>GAMING</b>		
Revenue - net	2,388,235.49	2,499,391.00
Less: Expenses	<u>717,962.11</u>	<u>737,557.61</u>
PROFIT FROM TRADING	<u><u>1,670,273.38</u></u>	<u><u>1,761,833.39</u></u>
 <b>BEVERAGE TRADING</b>		
Sales	1,341,601.04	1,413,569.28
Less: Cost of Goods Sold	<u>688,706.21</u>	<u>697,648.91</u>
Gross Profit	<u>652,894.83</u>	<u>715,920.37</u>
Less: Expenses	<u>393,050.68</u>	<u>401,812.59</u>
PROFIT FROM TRADING	<u><u>259,844.15</u></u>	<u><u>314,107.78</u></u>
 <b>CATERING</b>		
Sales	1,263,012.24	1,273,345.42
Less: Cost of Goods Sold	<u>678,721.79</u>	<u>671,556.20</u>
Gross Profit	<u>584,290.45</u>	<u>601,789.22</u>
Less: Expenses	<u>617,404.26</u>	<u>556,532.05</u>
PROFIT FROM TRADING	<u><u>(33,113.81)</u></u>	<u><u>45,257.17</u></u>

WINDSOR LEAGUES CLUB LIMITED  
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**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017**

	NOTE	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	4	119,186.91	83,019.50
Trade & Other Receivables	5	166.65	5,646.60
Inventories	6	51,261.59	61,303.07
Other Assets	7	<u>50,667.16</u>	<u>45,559.33</u>
<b>TOTAL CURRENT ASSETS</b>		<u>221,282.31</u>	<u>195,528.50</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	8	6,775,170.30	6,891,223.91
<b>TOTAL NON-CURRENT ASSETS</b>		<u>6,775,170.30</u>	<u>6,891,223.91</u>
<b>TOTAL ASSETS</b>		<u>6,996,452.61</u>	<u>7,086,752.41</u>
<b>CURRENT LIABILITIES</b>			
Trade & Other Payables	9	819,483.99	882,854.24
Borrowings	10	818,292.13	830,080.00
Provisions	11	220,034.00	174,047.60
Other Liabilities	12	<u>51,447.60</u>	<u>51,362.35</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,909,257.72</u>	<u>1,938,344.19</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	10	<u>765,091.51</u>	<u>975,869.40</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>765,091.51</u>	<u>975,869.40</u>
<b>TOTAL LIABILITIES</b>		<u>2,674,349.23</u>	<u>2,914,213.59</u>
<b>NET ASSETS (LIABILITIES)</b>		<u>4,322,103.38</u>	<u>4,172,538.82</u>
<b>EQUITY</b>			
Reserves		542,892.37	542,892.37
Retained Profits		<u>3,779,211.01</u>	<u>3,629,646.45</u>
<b>TOTAL EQUITY</b>		<u>4,322,103.38</u>	<u>4,172,538.82</u>

The accompanying notes form part of these financial statements

WINDSOR LEAGUES CLUB LIMITED

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Retained Earnings \$	Revaluation Surplus \$	Capital Profits Reserve \$	Total \$
<b>Economic Activity</b>				
<b>Balance at 1 January 2016</b>	3,639,754	490,933	51,959	4,182,646
Profit attributable to members entity	(10,107)			(10,107)
<b>Balance at 31 December 2016</b>	<u>3,629,646</u>	<u>490,933</u>	<u>51,959</u>	<u>4,172,539</u>
Profit attributable to members entity	149,565			149,565
<b>Balance at 31 December 2017</b>	<u><u>3,779,211</u></u>	<u><u>490,933</u></u>	<u><u>51,959</u></u>	<u><u>4,322,103</u></u>

For a description of each reserve refer to note 19.

The accompanying notes form part of the financial statements



WINDSOR LEAGUES CLUB LIMITED

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 \$	2016 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from members, guests and rugby league patrons	6,209,756.83	6,035,732.77
Receipt of Government Grants	-	3,942.00
Payments to suppliers & employees	(5,502,077.20)	(5,363,608.69)
Interest received	-	-
Interest paid	(120,859.77)	(113,036.93)
Net cash provided by (used in) operating activities	<u>586,819.86</u>	<u>563,029.15</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant & equipment	280,000.00	10,240.00
Payment for property, plant & equipment	(418,201.21)	(337,415.27)
Net cash provided by (used in) investing activities	<u>(138,201.21)</u>	<u>(327,175.27)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	500,874.48	566,267.28
Repayment of borrowings	(611,722.82)	(787,695.26)
Net Cash provided by (used in) financing activities	<u>(110,848.34)</u>	<u>(221,427.98)</u>
Net increase(decrease) in cash held	337,770.31	14,425.90
Cash at beginning of year	<u>(111,394.82)</u>	<u>(125,820.72)</u>
Cash at end of year	<u>226,375.49</u>	<u>(111,394.82)</u>

The accompanying notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	\$	\$
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES		

**BASIS OF PREPARATION**

Windsor Leagues Club Limited applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The directors have determined that the company is not publically accountable. 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 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 otherwise stated.

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

The company's main objective is the conduct of Rugby League in the Penrith and local districts. The company registered 42 rugby league teams in the reporting period. It continues to financially support other sports in the district.

The financial statements were authorised for issue on 29 March 2018 by the directors of the company.

**ACCOUNTING POLICIES**

**(a) Property Plant & Equipment**

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

**Freehold Property**

Freehold land and buildings are shown at fair value based on directors valuations less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

(Continued)

	2017	2016
1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)	\$	\$

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 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 (refer to Note 1(h) for details of impairment).

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land is depreciated on a straight line basis over the assets estimated useful life to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

Buildings 2.5%

Plant, Equipment & Vehicles 5%-33%

Gaming Machines 15%

The assets 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 recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(b) Inventories

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

(c) Employee Benefits

Short-Term Employee Benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The company's obligations for short-term employee benefits such as wages and salaries are recognised as part of the current trade and other payables in the statement of financial position. The directors have determined that the company's annual leave liability will be extinguished before next reporting date. Therefore annual leave has been classified as a short-term employee benefit and recorded at nominal value in provisions.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**  
(Continued)

	2017	2016
1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)	\$	\$
<p>(c) Employee Benefits (contd.)</p> <p>Other Long-Term employee benefits</p> <p>The company classifies employees' long service leave and annual leave as other long-term employee benefits as they are not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss.</p> <p>The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which the obligations are presented as current liabilities.</p>		
<p>(d) Income Tax</p> <p>No provision has been made for income tax as the company considers itself to be exempt from income tax in accordance with s 50-45 Income Tax Assessment Act 1997 &amp; case law.</p>		
<p>(e) Revenue</p> <p>Revenue from the sale of goods is recognised upon delivery of goods to customers. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.</p> <p>Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial asset.</p> <p>Members' Subscriptions and other income in advance is brought to account in the financial year in which it relates.</p> <p>Rugby League sponsorship income is conservatively recognised when received.</p> <p>All revenue is stated net of the amount of goods and services tax (GST).</p>		
<p>(f) Cash and Cash Equivalents</p> <p>Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.</p>		
<p>(g) Members &amp; Company Limited By Guarantee</p> <p>The company is a company limited by guarantee with the liability of members limited to \$5 as set out in the company's constitution.</p> <p>The company has 8,399 members which includes 26 life members.</p>		

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

(Continued)

	2017	2016
1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)	\$	\$

(h) Impairment of Assets

At the end of each reporting period the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the assets carrying amount. Any excess of the assets carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

(i) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at fair value or cost.

Available For Sale Financial Assets

Available for sale financial assets are non-derivative financial assets that are either do not meet the criteria for classification as any other type of financial asset 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. All financial assets currently held are classified as available for sale financial assets and are measured at cost.

Available for sale financial assets are classified as non current assets where they are 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.

Financial Liabilities

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

Impairment

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial asset has been impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset. In the case of available for sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**  
(Continued)

	2017	2016
1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)	\$	\$

(i) Financial Instruments (contd.)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

(j) Goods & 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 Tax Office. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position. Cash flows are presented in the Cash flow Statement on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(k) Going Concern

The directors are aware that the company has not met the terms of trade to suppliers and lenders on all occasions. However, the directors believe with the continued support of suppliers and financiers the ability to sell assets should the need arise, that the going concern basis is appropriate.

(l) Comparative Figures

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

(m) Critical Accounting Estimates & Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Judgements

Going Concern Basis

The directors have determined that the company is a going concern and the financial report has been prepared on this basis. Refer to note 1(k) above

Self Assessment of Exemption from Income Tax

The directors have self assessed that the company is exempt from Income Tax as a sporting body in accordance with s50-45 of the Income Tax Assessment Act 1997 and case law.

**NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2017**  
 (Continued)

	2017	2016
	\$	\$
1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)		
(m) Critical Accounting Estimates & Judgements (continued)		
Useful Life of Assets		
The company determines estimated useful lives and related depreciation charges for its property, plant & equipment. The useful lives could change significantly as a result of technical innovations or some other event. Depreciation will increase where the useful lives are less than previously estimated.		
Employee Benefits Provision		
The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.		
(n) Trade and Other Payables		
Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability.		
2. REVENUE OTHER INCOME		
REVENUE		
Rugby League Club Operations	637,075.68	549,794.78
Gaming	2,388,235.49	2,499,391.14
Beverage Trading	1,341,601.04	1,413,569.28
TAB	17,881.11	18,513.25
Catering	1,263,012.24	1,273,345.42
Raffles and Bingo	159,164.50	178,570.18
Keno	38,846.35	35,408.34
Members' Subscriptions	11,049.63	17,785.62
Commissions & Telephone Receipts	70,495.51	79,211.11
Government GST Reimbursement Received	17,180.00	17,180.00
Profit(Loss) on Sale of Non-current Assets	(1,818.18)	(19,704.35)
Profit on Sale of Gaming Licences	280,000.00	-
Other Income	31,002.16	46,805.22
	6,253,725.53	6,109,869.99
TOTAL REVENUE AND OTHER INCOME	6,253,725.53	6,109,869.99

Refer to Income Statement & Trading Statements for detailed disclosures

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**  
(Continued)

	2017	2016
	\$	\$
<b>3. PROFIT FOR THE YEAR</b>		
Profit from ordinary activities before income tax expense has been determined after:		
(a) Expenses:		
Cost of Sales	839,922.50	810,922.48
Interest Paid & Hire Purchase Charges	119,216.70	116,873.81
Depreciation	447,141.43	433,209.59
Annual Leave	26,839.40	932.47
Long Service Leave	23,447.00	509.00
Auditors' Remuneration	24,312.00	25,988.00
Contributions to defined contribution superannuation funds	129,149.72	127,291.24
Bad and doubtful debts	-	-
Lease rentals	78,649.51	106,096.34
(b) Significant Revenues & Expenses		
Profit on Sale of Gaming Licences	280,000.00	-
Refer to Trading Statements for other significant revenue and expenses		
<b>4. CASH &amp; CASH EQUIVALENTS</b>		
CURRENT		
Cash Floats & Cash on Hand	87,825.50	70,627.25
Cash at Bank	31,361.41	12,392.25
	119,186.91	83,019.50
Reconciliation to cash at the end of year		
Balances as above	119,186.91	83,019.50
Bank Overdraft (note 10)	(172,811.42)	(194,414.32)
Balances as per statement of cash flows	(53,624.51)	(111,394.82)
<b>5. TRADE &amp; OTHER RECEIVABLES</b>		
CURRENT		
Receivables	166.65	5,646.60
	166.65	5,646.60
<b>6. INVENTORIES</b>		
CURRENT		
At Cost		
Beverages	34,072.86	42,634.98
Catering	7,625.00	7,850.00
Rugby League inventory	9,563.73	10,818.09
	51,261.59	61,303.07



WINDSOR LEAGUES CLUB LIMITED  
ABN 76 001 263 663

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**  
(Continued)

	2017	2016
	\$	\$
<b>7. OTHER ASSETS</b>		
<b>CURRENT</b>		
Prepayments	<u>50,667.16</u>	<u>45,559.33</u>
<b>8. PROPERTY, PLANT &amp; EQUIPMENT</b>		
Land - at directors valuation	<u>423,400.00</u>	<u>423,400.00</u>
Clubhouse, Buildings & Improvements - at cost	2,894,895.63	2,850,376.63
Less Accumulated Depreciation	(860,007.00)	(766,340.00)
Less Accumulated Impairment	<u>(20,000.00)</u>	<u>(20,000.00)</u>
	<u>2,014,888.63</u>	<u>2,064,036.63</u>
Oval Improvements & Buildings - at cost	3,699,027.17	3,738,561.47
Less Accumulated Depreciation	(641,022.55)	(550,328.75)
Less Accumulated Impairment	<u>(91,822.19)</u>	<u>(91,822.19)</u>
	<u>2,966,182.43</u>	<u>3,096,410.53</u>
Building Improvements in Progress	<u>-</u>	<u>10,248.18</u>
Plant & Equipment - at cost	1,768,425.43	1,711,736.42
Less Accumulated Depreciation	<u>(1,162,895.67)</u>	<u>(1,045,395.04)</u>
	<u>605,529.76</u>	<u>666,341.38</u>
Gaming Machines - at cost	1,625,893.37	1,634,003.53
Less Accumulated Depreciation	<u>(890,532.20)</u>	<u>(1,042,487.65)</u>
	<u>735,361.17</u>	<u>591,515.88</u>
Motor Vehicles - at cost	193,428.65	193,428.65
Less: Accumulated Depreciation	<u>(163,620.34)</u>	<u>(154,157.34)</u>
	<u>29,808.31</u>	<u>39,271.31</u>
<b>Total Property, Plant &amp; Equipment</b>	<u><u>6,775,170.30</u></u>	<u><u>6,891,223.91</u></u>
<b>Movements in Carrying Amounts</b>		
<b>LAND</b>		
Balance at the beginning of the year	423,400.00	423,400.00
Additions	-	-
Disposals/Transfers	-	-
Revaluation	-	-
Depreciation	-	-
Carrying amount at the end of the year	<u>423,400.00</u>	<u>423,400.00</u>

WINDSOR LEAGUES CLUB LIMITED  
(A Company Limited by Guarantee)  
ABN 76 001 263 663

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

(Continued)

	2017	2016
	\$	\$
8. PROPERTY, PLANT & EQUIPMENT (continued)		
<b>CLUBHOUSE BUILDINGS &amp; IMPROVEMENTS</b>		
Balance at the beginning of the year	2,064,036.63	2,114,699.36
Additions	24,849.00	20,835.27
Disposals/Transfers	-	-
Depreciation	(73,997.00)	(71,498.00)
Impairment	-	-
Carrying amount at the end of the year	<u>2,014,888.63</u>	<u>2,064,036.63</u>
<b>OVAL IMPROVEMENTS &amp; BUILDINGS</b>		
Balance at the beginning of the year	3,096,410.53	3,161,363.39
Additions/Transfers	9,090.91	27,000.00
Disposals/Transfers	(48,625.21)	-
Depreciation	(90,693.80)	(91,952.86)
Impairment	-	-
Carrying amount at the end of the year	<u>2,966,182.43</u>	<u>3,096,410.53</u>
<b>BUILDING IMPROVEMENTS IN PROGRESS</b>		
Balance at the beginning of the year	10,248.18	1,818.18
Additions	-	8,430.00
Disposals/Transfers	(10,248.18)	-
Carrying amount at the end of the year	<u>-</u>	<u>10,248.18</u>
<b>PLANT &amp; EQUIPMENT</b>		
Balance at the beginning of the year	666,341.38	729,606.64
Additions	56,689.01	55,897.92
Disposals/Transfers	-	(4,159.45)
Depreciation	(117,500.63)	(115,003.73)
Carrying amount at the end of the year	<u>605,529.76</u>	<u>666,341.38</u>
<b>GAMING MACHINES</b>		
Balance at the beginning of the year	591,515.88	505,546.80
Additions	299,332.29	246,552.08
Disposals/Transfers	-	(19,713.00)
Depreciation	(155,487.00)	(140,870.00)
Carrying amount at the end of the year	<u>735,361.17</u>	<u>591,515.88</u>
<b>MOTOR VEHICLES</b>		
Balance at the beginning of the year	39,271.31	59,228.21
Additions	-	-
Disposals/Transfers	-	(6,071.90)
Depreciation	(9,463.00)	(13,885.00)
Carrying amount at the end of the year	<u>29,808.31</u>	<u>39,271.31</u>
Total Carrying amount at the end of the year	<u><u>6,775,170.30</u></u>	<u><u>6,891,223.91</u></u>

Asset Revaluations

Freehold land was revalued at 31 December 2011 according to land values obtained from the NSW Valuer General dated 1 July 2011. Directors confirmed valuation at 31 December 2013.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

(Continued)

	2017	2016
	\$	\$
<b>9. TRADE &amp; OTHER PAYABLES</b>		
CURRENT		
Trade Payables	564,771.30	566,822.22
Other Payables	254,712.69	316,032.02
	819,483.99	882,854.24
<b>10. BORROWINGS</b>		
CURRENT		
Bank Overdraft	172,811.42	194,414.32
Credit Card Liabilities	6,359.52	6,693.21
Insurance Funding Loan	40,683.58	53,721.18
Bank Loan - Secured	84,000.00	84,000.00
Hire Purchase Agreements	433,742.28	370,251.29
NSW Rugby League Club - Secured	30,000.00	30,000.00
Unsecured Loans	50,695.33	91,000.00
	818,292.13	830,080.00
NON-CURRENT		
Bank Loan	589,000.00	660,000.00
Hire Purchase Agreements	116,091.51	215,869.40
NSW Rugby League Club - Secured	60,000.00	90,000.00
Unsecured Loans	-	10,000.00
	765,091.51	975,869.40
<p>Hire Purchase Liabilities are secured against underlying assets.                      The NSW Rugby League Club loan is secured by a mortgage over 698 George St South Windsor.                      The company's bankers have security over 1A Rifle Range Rd South Windsor and a fixed and floating charge over all assets of the company</p>		
<b>11. PROVISIONS</b>		
CURRENT		
Provision for Employee Benefits: Annual Leave	107,249.00	81,109.60
Provision for Employee Benefits: Long Service Leave	112,785.00	92,938.00
	220,034.00	174,047.60
Analysis of Total Provisions:		
Balance at beginning of the year	174,047.60	172,606.13
Additional provisions less amount used	45,986.40	1,441.47
Balance at the end of the year	220,034.00	174,047.60

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

(Continued)

	2017	2016
	\$	\$
<b>11. PROVISIONS continued</b>		
Provision for Employee Benefits		
Provision for employee benefits represents amounts accrued for annual leave and long service leave. The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.		
In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data and judgement. The measurement and recognition criteria for employee benefits has been discussed at note 1(c).		
<b>12. OTHER LIABILITIES</b>		
CURRENT		
Accrued Expenses	20,223.66	29,311.59
Income Received in Advance	31,223.94	22,050.76
	51,447.60	51,362.35
<b>13. CAPITAL &amp; LEASING COMMITMENTS</b>		
Finance Lease Commitments		
Hire Purchase Liabilities		
Not later than one year	433,742.28	370,251.29
Later than one year and not later than five years	116,091.51	215,869.40
Later than five years	-	-
	549,833.79	586,120.69
<b>14. CONTINGENT LIABILITIES</b>		
Contingent liabilities exist with the directors decision to self-assess income tax. The company has an outstanding matter with Liquor and Gaming NSW. An accrual has been recorded for the estimated liability. The actual liability is unknown at this stage.		
<b>15. EVENTS AFTER THE REPORTING PERIOD</b>		
Other than the following the directors are not aware of any significant events since the end of the reporting period that require disclosure:		
An unsecured lender took legal action to obtain payment on a loan.		
The matter has been resolved and the amount is being repaid on a periodic basis		

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**  
(Continued)

	2017	2016
	\$	\$
<b>16. KEY MANAGEMENT PERSONNEL COMPENSATION</b>		
<p>Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.</p> <p>The totals of remuneration paid to key management personnel of the company during the year are as follows:</p>		
Key Management Personnel Compensation	102,242.80	119,748.15
<b>17. OTHER RELATED PARTY TRANSACTIONS</b>		
<p>Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.</p> <p>Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.</p>		
<b>18. FINANCIAL RISK MANAGEMENT</b>		
<b>a. Financial Risk Management Policies</b>		
<p>The company's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable. The total 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:</p>		
Financial Assets		
Cash & Cash Equivalents	119,186.91	83,019.50
Trade and Other Receivables	166.65	5,646.60
	<u>119,353.56</u>	<u>88,666.10</u>
Financial Liabilities		
Financial Liabilities at amortised cost		
- Trade Payables	564,771.30	566,822.22
- Borrowings	1,583,383.64	1,805,949.40
	<u>2,148,154.94</u>	<u>2,372,771.62</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**  
(Continued)

2017                      2016  
\$                              \$

19. RESERVES

Revaluation Surplus

The revaluation surplus records revaluations of non current assets

Capital Profits Reserve

The capital profits reserve consists of the profit on the sale of an investment property

20. CORE & NON-CORE PROPERTY

The details of the core and non-core property at the end of the year are as follows:

**Core Property**

698 George St, South Windsor, NSW 2756

1A Rifle Range Rd, South Windsor, NSW 2756

**Non-Core Property**

The company does not hold any non-core property

21. FAIR VALUE MEASUREMENTS

The company has the following assets, as set out in the table below, that are measured at fair value on recurring basis after their initial recognition. The company does not have any liabilities that are carried at fair value in the statement of financial position and has no assets or liabilities that are measured at fair value on a non-recurring basis.

**Recurring Fair Value Measurements**

Freehold Land

423,400.00	423,400.00
<u>423,400.00</u>	<u>423,400.00</u>

For freehold Land the fair values are based on a directors valuation taking into account A NSW Valuer Generals Valuation dated 1 July 2011.

**WINDSOR LEAGUES CLUB LIMITED**  
**ABN 76 001 263 663**

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF WINDSOR LEAGUES CLUB LIMITED**

**Report on the Audit of the Financial Report**

We have audited the financial report of Windsor Leagues Club Limited (the company), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Windsor Leagues Club Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2017 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

**Qualified Opinion**

We have audited the accompanying financial report of Windsor Leagues Club Limited (the company), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial report of Windsor Leagues Club Limited is in accordance with the Corporations Act 2001, including:

- (iii) giving a true and fair view of the company's financial position as at 31 December 2017 and of its financial performance for the year then ended; and
- (iv) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001

**Basis of 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 auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the dependence declaration required by the Corporations Act 2001, which has been given to the directors of Windsor Leagues Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

**Basis for Qualified Opinion**

**Land & Buildings Fair Value**

In the past, Directors have provided a valuation of land & buildings. We were not able to sight documentary evidence to determine if the carrying amount for land & buildings is different to the fair value.

#### Revenue

Due to the size and nature of rugby league and other activities and the use of volunteers, it is not practical to maintain an effective system of internal control over selective revenue and expenses of rugby league, raffles and other fund raising activities. Accordingly, our audit was limited to the amounts recorded. No adjustments to the records were made.

#### Cash Transactions

During the course of our audit we became aware of a significant number of cash transactions. We were unaware of the number & magnitude of these transactions. We are unable to confirm if these transactions have been completely & accurately recorded in the financial records of the company.

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 auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Windsor Leagues Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### Emphasis of Matter - Going Concern

We refer to Note 1(k) in the Notes to the financial statements. The directors are of the view that the going concern principle for preparing the financial statements is appropriate for this financial year given the fact that the company has:

1. negotiated with some suppliers & unsecured lender to revise normal terms of trade & repayment arrangements.
2. The current assets exceeds current liabilities by \$1,687,975 but has sufficient cash flow & net assets to continue trading. Further there are a number of liabilities which, whilst classified as current are not expected to be paid in the next year.

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

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 31 December 2017, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standard – 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 this financial 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 audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Auditors name: David Kean

Signature: 

DK AUDIT ACCOUNTANTS PTY LTD  
Chartered Accountants  
97 Francis Street, Richmond NSW 2753

Dated this 29 March 2018