WINDSOR LEAGUES CLUB LIMITED
ABN 76 001 263 663

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31 December 2018.

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
Maurice Hyde
Peter Greenwood (Appointed 23 April 2018)
Gary Rains (Appointed 23 April 2018)
Christopher Boyd (Appointed 23 April 2018)
Dennis Lowe (Ceased 23 April 2018)
Shayne Bellemy (Ceased 23 April 2018)

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	19 years	President
David McMullen	Council Employee	12 years	Vice President
Leigh Spence	Telecommunications Worker	10 years	
Dennis Lowe	Project Manager	8 years	
Maurice Hyde	Glazier	10 years	
Shayne Bellemy	Builder	1 year	
Peter Greenwood	Council Worker		
Gary Rains	Landscaper		
Christopher Boyd	Truck Driver		

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. On a

DIRECTORS' REPORT continued

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.

PERFORMANCE
The company incurred a net loss before income tax of $110,427 compared to a net profit of $149,565 last year. For comparative purposes , the company in 2017, received proceeds of $280,000 from the sale of gaming licences, a one-off transaction.

A total of 36 junior & senior rugby league teams were registered in the Penrith & local Rugby League competitions. 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.

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	11	12
David McMullen	9	12
Leigh Spence	12	12
Maurice Hyde	11	12
Dennis Lowe	4	4
Shayne Bellemy	4	4
Christopher Boyd	6	8
Gary Rains	7	8
Peter Greenwood	8	8

MEMBERSHIP
The company has football, associate, & life members. The total number of members of the company including life members was 9,578. 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 $47,890 (last year $41,995).

AUDITOR'S INDEPENDENCE DECLARATION
A copy of the auditor's independence declaration for the year ended 31 December 2018 was received and is attached. It forms part of the Directors' Report.

Ross Jones
Director

Signed at Windsor on 19 March 2019 in accordance with a resolution of directors.

WINDSOR LEAGUES CLUB LIMITED

ABN 76 001 263 663

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	NOTE	2018 $	2017 $
REVENUE			
Rugby League Club Operations		545,417.61	637,075.68
Gaming		2,404,994.76	2,388,235.49
Beverage Trading		1,180,457.55	1,341,601.04
TAB		21,969.26	17,881.11
Catering		1,028,972.22	1,263,012.24
Raffles and Bingo		127,865.45	159,164.50
Keno		33,618.21	38,846.35
Members' Subscriptions		7,645.49	11,049.63
Commissions, Vending Machines & Telephone Receipts		65,054.23	70,495.51
Government GST Reimbursement Received		17,180.00	17,180.00
Rent Received		35,418.19	20,460.00
Profit(Loss) on Sale of Non-current Assets		14,789.90	(1,818.18)
Profit on Sale of Gaming Licences		-	280,000.00
Other Income		38,965.56	31,002.16
TOTAL		5,522,348.43	6,274,185.53
EXPENDITURE			
General Operating Expenses		1,030,306.36	993,152.61
Finance Charges		121,684.92	145,493.13
Occupancy Costs		411,220.72	488,234.58
Entertainment, Promotion & Sponsorship		378,046.67	357,417.97
Rugby League Club Operations		594,626.89	694,265.84
Gaming		737,696.97	717,962.11
Beverage Trading		945,530.40	1,081,756.89
TAB		49,736.12	57,514.75
Catering		1,064,825.68	1,296,126.05
Raffles and Bingo		145,730.69	287,307.01
Keno		5,991.76	5,390.03
Impairment		51,666.00	-
Prior Year Expenses		95,711.85	-
TOTAL		5,632,775.03	6,124,620.97
PROFIT (LOSS) BEFORE INCOME TAX		(110,426.60)	149,564.56
Income tax expense		-	-
NET PROFIT (LOSS) FOR THE YEAR		(110,426.60)	149,564.56
Items that will not be reclassified subsequently to profit or loss:			
Net Gain (Loss) on Revaluation of Non-Current Assets		-	-
Items that may be reclassified subsequently to profit or loss:			
Net Fair Value Gain (Loss) on Revaluation of Financial Assets		-	-
Other comprehensive income for the year		-	-
Total comprehensive income attributable to Members		(110,426.60)	149,564.56

The accompanying notes form part of these financial statements

WINDSOR LEAGUES CLUB LIMITED
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TRADING STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 $	2017 $
RUGBY LEAGUE CLUB OPERATIONS		
Revenue		
Sponsorship, Grants & Advertising	302,690.74	373,506.68
Registration & Insurance Receipts	93,214.72	80,759.39
Canteen Sales	91,927.52	110,835.80
Fundraising	39,893.65	50,219.84
Gate Takings		-
Gear & Clothing Sales	17,690.98	19,603.97
Photo Money		2,150.00
	545,417.61	637,075.68
Less: Expenses		
Canteen Purchases	43,028.00	49,601.71
Canteen Supervisor	-	2,745.00
Council, Water Rates & Water	15,998.08	4,827.28
Depreciation - Capital Works	90,569.00	90,693.80
Electricity	18,257.10	26,212.65
Fundraising Expenses	17,736.31	43,605.41
Gear & Clothing Purchases	87,092.32	111,178.31
Less: Gear Closing Stock	(12,134.05)	(9,563.73)
Sponsorship of Rugby League	149,368.00	138,875.00
Registration & Insurance Costs	50,688.91	32,658.19
Repairs & Ground Maintenance	24,794.74	37,243.50
Telephone & Facsimile	3,344.59	5,047.52
Printing, Postage & Stationery	6,015.60	10,786.98
Sponsorship & Related Expenses	8,007.99	3,881.90
Medical & Training	2,181.79	23,911.04
Wages	56,295.75	50,391.62
Superannuation	4,564.04	4,734.32
Rugby League Expenses	6,370.00	27,101.31
Presentation Night	12,398.77	21,034.63
Other Rugby League Expenses	10,049.95	19,299.40
	594,626.89	694,265.84
LOSS FROM TRADING	(49,209.28)	(57,190.16)
Number of Rugby League teams registered	36	42

WINDSOR LEAGUES CLUB LIMITED
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TRADING STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	$	$
GAMING		
Revenue - net	2,404,994.76	2,388,235.49
Less: Expenses	737,696.97	717,962.11
PROFIT FROM TRADING	1,667,297.79	1,670,273.38
BEVERAGE TRADING		
Sales	1,180,457.55	1,341,601.04
Less: Cost of Goods Sold	579,422.62	688,706.21
Gross Profit	601,034.93	652,894.83
Less: Expenses	366,107.78	393,050.68
PROFIT FROM TRADING	234,927.15	259,844.15
CATERING		
Sales	1,028,972.22	1,263,012.24
Less: Cost of Goods Sold	529,446.77	678,721.79
Gross Profit	499,525.45	584,290.45
Less: Expenses	535,378.91	617,404.26
LOSS FROM TRADING	(35,853.46)	(33,113.81)

WINDSOR LEAGUES CLUB LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	NOTE	2018 $	2017 $
CURRENT ASSETS			
Cash & Cash Equivalents	4	90,809.82	119,186.91
Trade & Other Receivables	5	39,381.10	166.65
Inventories	6	55,442.73	51,261.59
Other Assets	7	54,143.79	50,667.16
TOTAL CURRENT ASSETS		239,777.44	221,282.31
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	6,657,864.65	6,775,170.30
Intangible Assets	9	93,334.00	-
TOTAL NON-CURRENT ASSETS		6,751,198.65	6,775,170.30
TOTAL ASSETS		6,990,976.09	6,996,452.61
CURRENT LIABILITIES			
Trade & Other Payables	10	939,110.93	870,931.59
Borrowings	11	429,831.70	818,292.13
Provisions	12	160,584.95	220,034.00
TOTAL CURRENT LIABILITIES		1,529,527.58	1,909,257.72
NON-CURRENT LIABILITIES			
Trade & Other Payables	10	234,791.22	-
Borrowings	11	1,014,980.51	765,091.51
TOTAL NON-CURRENT LIABILITIES		1,249,771.73	765,091.51
TOTAL LIABILITIES		2,779,299.31	2,674,349.23
NET ASSETS (LIABILITIES)		4,211,676.78	4,322,103.38
EQUITY			
Reserves		542,892.37	542,892.37
Retained Profits		3,668,784.41	3,779,211.01
TOTAL EQUITY		4,211,676.78	4,322,103.38

The accompanying notes form part of these financial statements

WINDSOR LEAGUES CLUB LIMITED

ABN 76 001 263 663

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Retained Earnings $	Revaluation Surplus $	Capital Profits Reserve $	Total $
Economic Activity				
Balance at 1 January 2017	3,629,646	490,933	51,959	4,172,539
Profit attributable to members entity	149,565			149,565
Balance at 31 December 2017	3,779,211	490,933	51,959	4,322,103
Profit attributable to members entity	(110,427)			(110,427)
Balance at 31 December 2018	3,668,784	490,933	51,959	4,211,677

For a description of each reserve refer to note 19.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	NOTE	2018 $	2017 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members, guests and rugby league patrons		5,479,951.36	6,230,216.83
Payments to suppliers & employees		(5,245,139.64)	(5,782,077.20)
Interest received		-	-
Interest paid		(98,818.93)	(120,859.77)
Net cash provided by (used in) operating activities		135,992.79	327,279.86
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		23,678.36	280,000.00
Payment for property, plant & equipment		(76,721.92)	(418,201.21)
Net cash provided by (used in) investing activities		(53,043.56)	(138,201.21)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		556,636.23	500,874.48
Repayment of borrowings		(515,611.13)	(611,722.82)
Net Cash provided by (used in) financing activities		41,025.10	(110,848.34)
Net increase(decrease) in cash held		123,974.33	78,230.31
Cash at beginning of year		(33,164.51)	(111,394.82)
Cash at end of year	4	90,809.82	(33,164.51)

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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.

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

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 financial statements were authorised for issue on 19 March 2019 by the directors of the company.

The company's main objective is the conduct of Rugby League in the Penrith and local districts. The company registered 36 rugby league teams in the reporting period. It continues to financially support other sports in the district.

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.

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 2018
(Continued)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Employee Benefits (contd.)
Other Long-Term employee benefits
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.

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.

(d) Income Tax
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 & case law.

(e) Revenue
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.
Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial asset.
Members' Subscriptions and other income in advance is bought to account in the financial year in which it relates.

(f) Cash and Cash Equivalents
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.

(g) Members & Company Limited By Guarantee
The company is a company limited by guarantee with the liability of members limited to $5 as set out in the company's constitution.
The company has 9,578 members which includes 26 life members.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Continued)

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 it's 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 the date that the entity commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied in as specified AASB 15.63.

Classification and Subsequent Measurement

Financial liabilities

Financial liabilities are subsequently measured at:
- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:
- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or
- initially designated as at fair value through profit and loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debit instrument of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument of the net carrying amount at initial recognition.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial Instruments (continued)

A financial liability is held for trading if it is:
- incurred for the purpose of repurchasing or repaying in the near term;
- part of portfolio where there is an actual pattern of short-term profit taking: or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship)

Any gains or losses arising on charges in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to change in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retain earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than comprehensive income.

A financial liability cannot be reclassified.

Financial assets
Financial assets are subsequently measured at:
- amortised cost:
- fair value through other comprehensive income: or
on the basis of the two primary criteria, being:
- the contractual cash flow characteristics of the financial asset: and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:
- the financial asset is managed solely to collect contractual cash flows: and
- the contractual term within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following condition:
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates: and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit and losses.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial Instruments (continued)

The entity initially designates financial instruments as measured at fair value through profit or loss if:
- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as " accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases:
-it is in accordance to the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial liability that was part of an entity of financial liabilities or financial assets can be managed and evaluate consistently on a fair value basis; and
- it is hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments
At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the entity made an irrevocable election to measure the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit and loss.

Regular way purchases and sale of financial assets are recognised and derecognised at settlement date in accordance with the entity's accounting policy.

Derecognition
Derecognition refers to the removal of previously recognised financial assets or financial liability from the statement of financial position.

Derecognition of financial liabilities
A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition to new financial liability .

The difference between the carrying amount of the financial liability derecognised and the consideration paid by payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets
A financial asset is derecognised when the holder's contractual rights to its cash flow expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial Instruments (continued)

All of the following criteria need to be satisfied for derecognition of a financial assets:
- the right to receive cash flows from the asset has expired or been transferred:
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of financial assets measured at amortised costs, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss .

On derecognition of debt instrument classified as fair value through other comprehensive income, the cumulative gain and loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On deregulation of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retain earnings.

Impairment

The entity recognises a loss allowance for expected credit losses on:
- financial assets that are measured at amortised cost of fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:
- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity used the following approaches to impairment, as applicable under AASB 9:
- the general approach;
- the simplified approach
- the purchased or originated credit impaired approach: and
- low credit risk operational simplification.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial Instruments (continued)

General approach
Under the general approach, at each reporting period, the entity assessed whether the financial instruments are credit impaired, and if:
- the credit risk of the financial instrument increased significantly since initial recognition, the entity measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit loses; and
- there was no significant increase in credit risk since initial recognition, the entity measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach
The simplified approach does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:
- trade receivables or contract assets that result from transactions that are within\ the scope of AASB 15, that contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate grouping of its historical loss experience, etc).

Purchase or original credit impaired approach
For a financial asset that is considered to be credit impaired (not on acquisition or originations), the entity measured any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate . Any adjustment was recognised in profit and loss as an impairment gain or loss.

Evidence of credit impairment includes:
- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach
If a financial asset is determined to have low credit risk at the initial reporting date, the entity assumed that the credit risk has not increased significantly since initial recognition and accordingly can continue to recognise a loss allowance of 12-months expected credit loss.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial Instruments (continued)

In order to make such determination that the financial asset has low credit risk, the entity applied its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:
- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet the contractual cash flow obligations in near term; and
- adverse changes in economic and business conditions in the longer term, may but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements
At each reporting date, the entity recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. An amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period .

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(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.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(m) Critical Accounting Estimates & Judgements (continued)
Useful Life of Assets
The company determines estimated useful lives and related depreciation charges for it's 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 determing the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(n) Accounts Payable and Other Payables
Accounts payable and other payables represent the liability at the end of the reporting period for goods and services received during the reporting period that remain unpaid. The balance is recognised as a current liability.

(o) Accounts Receivable and Other Debtors
Accounts receivable and other debtors include amounts receivable from customers for goods or services sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non current assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Continued)

	2018	2017
1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)	$	$

(o) Accounts Receivable and Other Debtors (continued)

Accounts receivable are initially recognised at fair and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

(o) New and Amended Accounting Policies adopted by the entity.

Initial Application of AASB 9: Financial Instruments
The company has adopted AASB 9: Financial Instruments with a date of initial application of 1 January 2018. As a result the company has changed it's financial instruments accounting policies as detailed in the significant accounting policies note.

Due to the companies financial instruments at 1 January 2018 being limited to cash & cash equivalents, minimal trade debtors, accounts payable and other payables, there has been no changes to the carrying amount of any financial instruments.

2. REVENUE AND OTHER INCOME

REVENUE

	2018 $	2017 $
Rugby League Club Operations	545,417.61	637,075.68
Gaming	2,404,994.76	2,388,235.49
Beverage Trading	1,180,457.55	1,341,601.04
TAB	21,969.26	17,881.11
Catering	1,028,972.22	1,263,012.24
Raffles and Bingo	127,865.45	159,164.50
Keno	33,618.21	38,846.35
Members' Subscriptions	7,645.49	11,049.63
Commissions & Telephone Receipts	65,054.23	70,495.51
Government GST Reimbursement Received	17,180.00	17,180.00
Rent	35,418.19	20,460.00
Profit(Loss) on Sale of Non-current Assets	14,789.90	(1,818.18)
Profit on Sale of Gaming Licences	-	280,000.00
Other Income	38,965.56	31,002.16
TOTAL REVENUE AND OTHER INCOME	5,522,348.43	6,274,185.53

Refer to Income Statement & Trading Statements for detailed disclosures

	2018 $	2017 $
3. SURPLUS FOR THE YEAR		
Profit from ordinary activities before income tax expense has been determined after:		
(a) Expenses:		
Cost of Sales	697,408.89	839,922.50
Interest Paid & Hire Purchase Charges	100,838.16	119,216.70
Depreciation	457,332.09	447,141.43
Impairment	51,666.00	-
Annual Leave	(6,827.93)	26,839.40
Long Service Leave	5,950.04	23,447.00
Auditors' Remuneration	24,620.00	24,312.00
Contributions to defined contribution superannuation funds	134,782.50	129,149.72
Bad and doubtful debts	166.65	-
Lease rentals	73,409.51	78,649.51
Prior Year Expenses	95,711.85	-
(b) Significant Revenues & Expenses		
Profit on Sale of Gaming Licences	-	280,000.00
Refer to Trading Statements for other significant revenue and expenses		

4. CASH & CASH EQUIVALENTS

CURRENT

	2018 $	2017 $
Cash Floats & Cash on Hand	60,417.22	87,825.50
Cash at Bank	30,392.60	31,361.41
	90,809.82	119,186.91
Reconciliation to cash at the end of year		
Balances as above	90,809.82	119,186.91
Bank Overdraft (note 10)	-	(172,811.42)
Balances as per statement of cash flows	90,809.82	(53,624.51)

5. ACCOUNTS RECEIVABLE AND OTHER DEBTORS

CURRENT

	2018 $	2017 $
Accounts Receivable	37,156.00	166.65
Other Receivables	7,225.10	-
Less: Provision For Impairment	(5,000.00)	-
	39,381.10	166.65

The company had no impairment amount recorded for receivables at 1 January 2018 and has therefore not prepared a reconciliation as required under AASB 9: Financial Instruments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Continued)

	2018	2017
	$	$

5. ACCOUNTS RECEIVABLE AND OTHER DEBTORS (continued)

Credit Risk

The company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The entity measures the loss allowance for accounts receivable at an amount equal to an expected lifetime credit loss. This is based on management experience and judgement.

6. INVENTORIES

CURRENT

	2018 $	2017 $
At Cost		
Beverages	36,245.12	34,072.86
Catering	6,236.70	7,625.00
Vending Machines	525.00	-
Rugby League	12,435.91	9,563.73
	55,442.73	51,261.59

7. OTHER CURRENT ASSETS

CURRENT

	2018 $	2017 $
Prepayments	54,143.79	50,667.16

8. PROPERTY, PLANT & EQUIPMENT

	2018 $	2017 $
Land - at directors valuation	423,400.00	423,400.00
Clubhouse, Buildings & Improvements - at cost	2,904,130.63	2,894,895.63
Less Accumulated Depreciation	(936,297.00)	(860,007.00)
Less Accumulated Impairment	(20,000.00)	(20,000.00)
	1,947,833.63	2,014,888.63
Oval Improvements & Buildings - at cost	3,699,027.17	3,699,027.17
Less Accumulated Depreciation	(731,591.55)	(641,022.55)
Less Accumulated Impairment	(91,822.19)	(91,822.19)
	2,875,613.43	2,966,182.43
Building Improvements in Progress	-	-
Plant & Equipment - at cost	1,796,901.17	1,768,425.43
Less Accumulated Depreciation	(1,272,276.76)	(1,162,895.67)
	524,624.41	605,529.76
Gaming Machines - at cost	1,847,723.36	1,625,893.37
Less Accumulated Depreciation	(975,855.03)	(890,532.20)
	871,868.33	735,361.17

	2018	2017
	$	$
8. PROPERTY, PLANT & EQUIPMENT (continued)		
Motor Vehicles - at cost	74,179.46	193,428.65
Less: Accumulated Depreciation	(59,654.61)	(163,620.34)
	14,524.85	29,808.31
Total Property, Plant & Equipment	6,657,864.65	6,775,170.30
Movements in Carrying Amounts		
LAND		
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	423,400.00	423,400.00
CLUBHOUSE BUILDINGS & IMPROVEMENTS		
Balance at the beginning of the year	2,014,888.63	2,064,036.63
Additions	9,235.00	24,849.00
Disposals/Transfers	-	-
Depreciation	(76,290.00)	(73,997.00)
Impairment	-	-
Carrying amount at the end of the year	1,947,833.63	2,014,888.63
OVAL IMPROVEMENTS & BUILDINGS		
Balance at the beginning of the year	2,966,182.43	3,096,410.53
Additions/Transfers		9,090.91
Disposals/Transfers		(48,625.21)
Depreciation	(90,569.00)	(90,693.80)
Impairment	-	-
Carrying amount at the end of the year	2,875,613.43	2,966,182.43
BUILDING IMPROVEMENTS IN PROGRESS		
Balance at the beginning of the year	-	10,248.18
Additions	-	-
Disposals/Transfers	-	(10,248.18)
Carrying amount at the end of the year	-	-
PLANT & EQUIPMENT		
Balance at the beginning of the year	605,529.76	666,341.38
Additions	28,475.74	56,689.01
Disposals/Transfers	-	-
Depreciation	(109,381.09)	(117,500.63)
Carrying amount at the end of the year	524,624.41	605,529.76

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Continued)

	2018 $	2017 $
8. PROPERTY, PLANT & EQUIPMENT (continued)		
GAMING MACHINES		
Balance at the beginning of the year	735,361.17	591,515.88
Additions	311,204.16	299,332.29
Disposals/Transfers	-	-
Depreciation	(174,697.00)	(155,487.00)
Carrying amount at the end of the year	871,868.33	735,361.17
MOTOR VEHICLES		
Balance at the beginning of the year	29,808.31	39,271.31
Additions	-	-
Disposals/Transfers	(8,888.46)	
Depreciation	(6,395.00)	(9,463.00)
Carrying amount at the end of the year	14,524.85	29,808.31
Total Carrying amount at the end of the year	6,657,864.65	6,775,170.30

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.

	2018 $	2017 $
9. INTANGIBLE ASSETS		
Gaming Licences at Cost	140,000.00	-
Less: accumulated impairment losses	(46,666.00)	-
Net carrying value	93,334.00	-
Total Intangibles	93,334.00	-
Reconciliation of Gaming Licences		
Balance at the beginning of the year	-	-
Additions at Cost	140,000.00	-
Impairment	(46,666.00)	-
Disposals	-	-
Balance at the end of the year	93,334.00	-

Gaming Licences purchased during the year have been recognised at cost.
Existing Gaming Licences held by the company do not meet the recognition criteria under Accounting Standards and have therefore not been recognised in Statement of Financial Position.

	2018 $	2017 $
10. ACCOUNTS PAYABLE & OTHER PAYABLES		
CURRENT		
Trade Payables	545,710.20	564,771.30
Other Payables	315,113.23	254,712.69
Accrued Expenses	35,456.28	20,223.66
Deferred Income	42,831.22	31,223.94
	939,110.93	870,931.59

	2018 $	2017 $
10. ACCOUNTS PAYABLE & OTHER PAYABLES (continued)		
NON CURRENT		
Other Payables	234,791.22	-
	234,791.22	-

Financial liabilities at amortised cost classified as accounts payable and other payables

	2018 $	2017 $
Accounts payable and other payables:		
Current	939,110.93	870,931.59
Non Current	234,791.22	-
	1,173,902.15	870,931.59
Less: Deferred Income	(42,831.22)	(31,223.94)
Less: GST Payable	(28,630.00)	(29,957.00)
Financial liabilities as accounts payable and other payables	1,102,440.93	809,750.65

11. BORROWINGS

	2018 $	2017 $
CURRENT		
Bank Overdraft	-	172,811.42
Credit Card Liabilities	3,407.51	6,359.52
Insurance Funding Loan	47,625.34	40,683.58
Bank Loan - Secured	120,000.00	84,000.00
Hire Purchase Agreements	207,103.52	433,742.28
Penrith Junior Rugby League	8,000.00	-
NSW Rugby League Club - Secured	30,000.00	30,000.00
Unsecured Loans	13,695.33	50,695.33
	429,831.70	818,292.13
NON-CURRENT		
Bank Loan	890,000.00	589,000.00
Hire Purchase Agreements	68,593.50	116,091.51
NSW Rugby League Club - Secured	56,387.01	60,000.00
	1,014,980.51	765,091.51

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Continued)

12. PROVISIONS

	2018 $	2017 $
CURRENT		
Provision for Employee Benefits: Annual Leave	80,291.95	107,249.00
Provision for Employee Benefits: Long Service Leave	80,293.00	112,785.00
	160,584.95	220,034.00

Analysis of Total Provisions:

	2018 $	2017 $
Balance at beginning of the year	220,034.00	174,047.60
Additional provisions less amount used	(59,449.05)	45,986.40
Balance at the end of the year	160,584.95	220,034.00

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).

13. CAPITAL & LEASING COMMITMENTS

Finance Lease Commitments

	2018 $	2017 $
Hire Purchase Liabilities		
Not later than one year	207,103.52	433,742.28
Later than one year and not later than five years	68,593.50	116,091.51
Later than five years	-	-
	275,697.02	549,833.79

14. CONTINGENT LIABILITIES

Contingent liabilities exist with the directors decision to self-assess income tax.

15. EVENTS AFTER THE REPORTING PERIOD

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Continued)

	2018 $	2017 $

16. KEY MANAGEMENT PERSONNEL COMPENSATION

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.

The totals of remuneration paid to key management personnel of the company during the year are as follows:

	2018 $	2017 $
Key Management Personnel Compensation	79,991.68	102,242.80

17. OTHER RELATED PARTY TRANSACTIONS

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.

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

Henry Norman, the son of CEO Craig Norman was employed during the year on an arms length basis.

18. FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies
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 9 as detailed in the accounting policies to these financial statements are as follows:

	2018 $	2017 $
Financial Assets at amortised cost		
Cash & Cash Equivalents	90,809.82	119,186.91
Accounts Receivable and Other Debtors	39,381.10	166.65
	130,190.92	119,353.56
Financial Liabilities at amortised cost		
Accounts Payable and Other Payables	545,710.20	564,771.30
Borrowings	1,444,812.21	1,583,383.64
	1,990,522.41	2,148,154.94

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(Continued)

	2018	2017
	$	$

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.

	2018 $	2017 $
Recurring Fair Value Measurements		
Freehold Land	423,400.00	423,400.00
	423,400.00	423,400.00

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

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF WINDSOR LEAGUES CLUB LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018 there have been no contraventions of:

i. the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

DK AUDIT ACCOUNTANTS PTY LTD
Chartered Accountants

Director: David Kean
Registered Company Auditor
Signed at 97 Francis Street, Richmond, NSW
Dated this 19 March 2019

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

Qualified Opinion

We have audited the financial report of Windsor Leagues Club Limited (the company), which comprises the statement of financial position as at 31 December 2018, 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 and the Corporations Regulations 2001, including:

(i) giving a true and fair view of the company's financial position as at 31 December 2018 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements.

Basis for Qualified 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.

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.

Prior Year Expenses
We note that there are Expenses that were incurred in the previous financial year and brought to account this year. The financial consequence was an overstatement of the profit last year.

Cash Transactions
As in previous years, the company has considerable cash transactions. This practice was changed after the appointment of the Chief Executive Officer early in the financial year. 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 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 & non-bank lenders to revise normal terms of trade & repayment arrangements.

2. The current liabilities exceed current assets by $1,289,750 but has sufficient cash flow & net assets to continue trading. Further, there are a number of liabilities classified as current but are not expected to be paid in the next financial 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 2018, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 the 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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 19 March 2019