



WARRINGAH RUGBY CLUB

2018 Financial Report

WARRINGAH RUGBY CLUB LIMITED

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FOR THE YEAR ENDED 30 SEPTEMBER 2018

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WARRINGAH RUGBY CLUB LIMITED

DIRECTORS' REPORT

Your Directors are pleased to present their report on the financial performance of the WARRINGAH RUGBY CLUB LIMITED for the twelve months ended 30 September 2018.

DIRECTORS:

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

Phillip Parson (President); Eddie Edmunds (V-President); Greg Gerrard (Secretary);
Lilin Tay (Treasurer);
Erin Morton; Sean Quilter; John Maher; Sue Barry Cotter; Tom Riley; Phil Jackson; Ben Adams

COMPANY SECRETARY

Mr Greg Gerrard held the position of Company Secretary at the end of the financial year. He has over 30 years' experience in Rugby Union.

OPERATING RESULTS

The profit for the Financial Year ended 30 September 2018 after Depreciation was \$22,933.43

OBJECTIVES

- Short term: Assist generally in the promotion and propagation of the game of Rugby Union football.
- Long term: To sustain the Club's position to ensure its long term strategy of promoting and supporting the game of Rugby Union football within the Northern Beaches, Sydney and Australia.

STRATEGY FOR ACHIEVING THE OBJECTIVES

The principal strategies of the Club include:

- Maximising advantage from marketing opportunities;
- Offering a broad range of sporting/ entertainment offerings; and
- Maintaining high customer service standards.

PRINCIPAL ACTIVITIES

The principal activity of the Club (a not for profit entity) in the course of the period was to provide the services and amenities and support and the propagation of the game of Rugby Union football. There were no significant changes in the nature of these activities during the period.

PERFORMANCE MEASUREMENT AND KEY PERFORMANCE INDICATORS (KPI'S)

Performance is measured by comparing current Income and Expenditure figures to prior year figures and budget figures on a regular basis. KPI's include but are not limited to Net Profit Retention, Profit before Depreciation and Amortisation, Current benchmarks within the Rugby Union football Club sport are also used.

SIGNIFICANT CHANGES

There have been no significant changes in the state of affairs of the Club during the twelve months ended 30th September 2018.

MEMBERSHIP AND CONTRIBUTION TO WINDING UP

The Club is a Company Limited by Guarantee and is incorporated under the Corporations Act 2001. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the entity.

The total amount that the members of the entity are liable to contribute if the entity is wound up is \$17,000. The number of Members as at 30th September 2018 is 850 (2017 - 18) an increase of 213.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration for the year ended 30th September 2018 as required under Section 307C of the Corporations Act 2001 has been received and is in the Financial Report.

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

Director:  Director: 

Dated: 2 November 2018

WARRINGAH RUGBY CLUB LIMITED

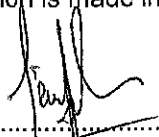
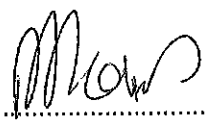
Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out in the Financial Report are in accordance with the *Corporations Act 2001* and:
 - (a) Comply with Australian Accounting Standards; and
 - (b) Give a true and fair view of the financial position as at 30 September 2018 and of the performance for the year ended on that date of the entity.

2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director:  Director: 

Dated: 2 November 2018

Warringah Rugby Club Ltd
ABN 57 000 497 398
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year End 30 September 2018

INCOME	2018	2017
Sponsorship	304,083.85	289,363.54
Registrations	41,577.88	49,116.34
Memberships	44,306.02	27,172.73
NRC/ARU/Donations	-	350.00
Functions/Events/Clinics	88,718.69	83,138.67
Game Day	402,376.98	377,066.17
Tournament Winnings	10,363.64	20,818.18
Northern Beaches Council	20,000.00	9,090.91
Merchandise	58,232.56	38,321.50
Other Income	12,853.47	14,052.27
Interest Income	94.55	76.62
Sundry Income	9,988.18	-
Total Income	992,595.82	908,566.93
Total Cost Of Sales	-	-
Gross Profit	992,595.82	908,566.93
Admin Expenses		
Bank Fees	222.19	398.70
Merchant/Payment Fees	7,180.50	4,680.02
Contractors	133,694.96	133,664.45
Rent	29,612.93	28,420.71
General Admin	7,621.16	2,840.18
Reviewers fee	6,485.00	5,500.00
Telephone/Internet	2,524.79	1,629.94
Foxtel	5,172.00	5,028.00
Discounts Given to Club	-	1,330.00
Total Admin Expenses	192,513.53	180,832.06
Club Operations		
Advertising & Marketing	6,130.45	3,293.64
Website	2,451.36	8,080.00
Signage	84.73	1,815.00
Security	3,718.00	2,288.56
Sponsorship Expenses	16,457.57	22,622.99
Membership Expenses	13,344.38	
Gym	2,786.10	
Other Club Expenses	14,463.76	36,511.53
Welfare Claims	300.00	
Functions & Events	71,995.94	60,390.36
Merchandise & Apparel	23,977.46	26,541.58
Physio/Medical	18,859.09	8,184.55
Total Club Operations	174,568.84	169,728.21
Rugby Expenses		
Game Videos	8,940.00	8,831.56
Laundry	4,110.00	3,810.00
Player Payments	51,850.90	52,532.83
Coaching/Development	139,595.92	102,886.36
Uniforms	54,733.50	40,608.14
Insurance	15,278.28	14,525.49
Equipment	641.50	
Player Training	509.09	
Strapping Tape	23,896.46	18,509.47
Player Tournaments	14,214.76	15,179.19
Other Rugby Expenses	55,612.42	31,689.23
Total Rugby Expenses	369,382.83	288,572.27
Depreciation Expenses	7,583.53	5,848.25
Game Day		
Beverage	99,642.50	113,859.25
Food	28,777.34	26,240.78
Game Day Other	24,017.59	7,208.84
Staffing	38,485.00	2,795.00
Entertainment	21,445.91	15,400.00
Cleaning	13,245.32	3,200.00
Total Game Day	225,613.66	168,703.87
Total Expenses	969,662.39	813,684.66
Operating Profit	22,933.43	94,882.27
Other comprehensive Income		
Prior Period restatements	-	1,209.96
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	22,933.43	93,672.31
TOTAL COMPREHENSIVE INCOME ARIBUTABLE TO MEMBERS	22,933.43	93,672.31

Warringah Rugby Club LtdPittwater Rugby Park
1472 Pittwater Road**Financial Position (Balance Sheet)**

As at 30 September 2018

	This Year	Last Year
ASSETS		
Current Assets		
Bank Accounts		
Greater Cheque #3456	\$86,951.08	\$89,539.92
CBA #9240	\$8,549.37	\$33,590.63
Greater F&B #7713	\$10,772.47	\$20,131.75
Greater Welfare #5480	\$9,795.76	\$5,001.76
Greater Visa Debit #7494	\$29.58	\$117.37
PayPal	\$1.03	\$227.54
Till Money (to be returned)	\$0.00	\$7,000.00
Total Bank Accounts	\$116,099.29	\$155,608.97
Other Current Assets		
Accounts Receivable	\$134,346.90	\$45,951.25
Prepaid Player Insurance	\$6,500.00	\$6,500.08
Stock on Hand	\$6,218.50	\$9,077.34
Total Other Current Assets	<u>\$147,065.40</u>	<u>\$61,528.67</u>
Total Current Assets	<u>\$263,164.69</u>	<u>\$217,137.64</u>
Non-Current Assets		
Plant & Equipment		
Training Equipment	\$52,266.22	\$50,966.22
Signage	\$36,209.18	\$35,755.54
Office Equipment At Cost	\$7,922.72	\$7,922.72
Club Assets	\$11,624.98	\$8,591.06
Total Plant & Equipment	\$108,023.10	\$103,235.54
Less Accum. Depreciation	(<u>\$77,678.99</u>)	(<u>\$70,095.46</u>)
Total Non-Current Assets	<u>\$30,344.11</u>	<u>\$33,140.08</u>
Total ASSETS	<u>\$293,508.80</u>	<u>\$250,277.72</u>
LIABILITIES		
Current Liabilities		
GST Liabilities		
GST Collected	\$99,076.23	(\$121.25)
GST Paid	(\$71,333.52)	\$0.26
ATO Annual GST Liability	(\$12,717.53)	\$21,176.64
Total GST Liabilities	\$15,025.18	\$21,055.65
Other Current Liabilities		
Accounts Payable	\$12,289.94	\$1,663.82
Accrued Expenses	\$26,202.00	\$10,500.00
Total Other Current Liabilities	\$38,491.94	\$12,163.82
Total Current Liabilities	<u>\$53,517.12</u>	<u>\$33,219.47</u>
Total LIABILITIES	<u>\$53,517.12</u>	<u>\$33,219.47</u>
Net Assets	<u>\$239,991.68</u>	<u>\$217,058.25</u>
EQUITY		
Retained Earnings	<u>\$217,058.25</u>	<u>\$173,385.94</u>
Prior Period Adj W/Off NH Rays	-	(\$50,000.00)
Current Year Surplus/Deficit	<u>\$22,933.43</u>	<u>\$93,672.31</u>
Total EQUITY	<u>\$239,991.68</u>	<u>\$217,058.25</u>

Warringah Rugby Club Ltd

Pittwater Rugby Park
1472 Pittwater Road

Statement of Cash Flow

Year end 30 September 2018

Cash Flow from Operating Activities		
Net Income	\$22,933.43	
Accounts Receivable	(\$88,395.65)	
Prepaid Player Insurance	\$0.08	
Stock on Hand	\$2,858.84	
Signage	(\$453.64)	
GST Collected	\$99,197.48	
GST Paid	(\$71,333.78)	
ATO Annual GST Liability	(\$33,894.17)	
Accounts Payable	\$10,626.12	
Accrued Expenses	\$15,702.00	
Net Cash Flow from Operating Activities		(\$42,759.29)
Cash Flow from Investing Activities		
Training Equipment	(\$1,300.00)	
Club Assets	(\$3,033.92)	
Less Accum. Depreciation	\$7,583.53	
Net Cash Flow from Investing Activities		\$3,249.61
Cash Flow from Financing Activities		
Net Cash Flow from Financing Activities		\$0.00
Net Increase/Decrease for the period		(\$39,509.68)
Cash at the Beginning of the period		\$155,608.97
Cash at the End of the period		\$116,099.29

Warringah Rugby Club Ltd

Pittwater Rugby Park

1472 Pittwater Road NARRABEEN NSW 2101

STATEMENT OF CHANGES OF EQUITY

Year end 30 September 2018

Balance at 1 October 2017

	\$ <u>173,385.94</u>
Profit attributable to Members of the Entity	\$ 93,672.31
Other comprehensive Income	\$ (50,000.00)
Revaluation increment	\$ -
Total Comprehensive Income For The Year	\$ <u>43,672.31</u>
Balance at 30 September 2017	\$ <u>217,058.25</u>
Balance at 1 October 2017	\$ <u>217,058.25</u>
Comprehensive Income For the Year	
Profit attributable to Members of the Entity	\$ 22,933.43
Other comprehensive Income	\$ -
Revaluation increment	\$ <u>-</u>
Total Comprehensive Income For The Year	\$ <u>22,933.43</u>
Balance at 30 September 2018	\$ <u>239,991.68</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 September 2018

Note 1 - Statement of significant accounting policies

The Financial Report is for the Warringah Rugby Club Limited as an individual Entity, "the Entity" incorporated and domiciled in Australia. The Warringah Rugby Club Limited is a Company limited by guarantee. The Entity's principal place of business and the registered office of the company is 1472 Pittwater Rd, North Narrabeen NSW 2101.

Basis of Preparation

The Entity applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The Financial Statements are general purpose Financial Statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in Financial Statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these Financial Statements are presented below and have been consistently applied unless otherwise stated.

The Financial Statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar. The Financial Statements were authorised for issue on 2 November 2018 by the Directors of the Entity.

Accounting Policies

a) Revenue:

Grant revenue is recognised in the statement of Profit or Loss when the Entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The Entity receives non-reciprocal contributions of assets from the government and other parties for zero or nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss.

Membership subscriptions are recognised evenly over the current financial year ended on a straight line basis.

Donations and bequests are recognised as revenue when received. The directors note that receipts from cash donations and other cash fundraising activities are a significant source of revenue for the **Warringah Rugby Club Limited**. The directors of **Warringah Rugby Club Limited** have determined that it is impracticable to establish control over the collection of donations and other fundraising activity revenue prior to entry in its financial records. Revenue from donations and other fundraising activity revenue have been restricted to records only the amounts recorded in the financial records.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

b) Inventories:

Inventories held for sale are measured at the lower of cost and net realisable value. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

c) 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.

Plant and Equipment

Plant and Equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment losses. The carrying amount of Plant and Equipment is reviewed annually by Directors. In the

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 September 2018

event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in the profit or loss or as a revaluation decrease if the impairment losses relate to a re-valued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer note (1f) for details of impairment).

Plant and Equipment that have been contributed at no cost or for nominal cost by a Member or the public are recognised at the fair value of the asset at the date it was acquired

Depreciation:

The depreciable amount of all fixed assets including buildings, capitalised lease assets and licensed assets, but excluding freehold land, is depreciated on a diminishing value and or straight line basis over the asset's useful life to the Entity commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Plant & Equipment	20 %

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 included in the profit or loss in the period in which they arise. When re-valued assets are sold, amounts included in the revaluation reserve/surplus relating to that asset are transferred to retained earnings.

d) Leases:

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Entity are classified as Finance Leases, Finance Leases are capitalised, recognising an asset and liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight line basis over the lease term. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

e) Financial Instruments:

Initial Recognition Measurement

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions to the instrument. For financial assets this is equivalent to the date that the Entity 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 except where the instrument is classified "as fair value through profit or loss" in which case transaction costs are recognised immediately as expense in profit or loss.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value (refer to Note 1(q)) and amortised using the effective interest rate method or cost. Where available quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted. Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method. The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense in profit or loss.

Classification and Subsequent Measurement:

i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designed as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains and losses are recognised in profit and loss through the amortisation process and when the financial asset is derecognised.

iii) Held-to-maturity Investments

Held-to maturity investments are non-derivative financial assets that have maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 September 2018

measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

iv) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit and loss through the amortisation process and when the financial liability is derecognised.

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 or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence that impairment as a result of one or more events (a "loss event") has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter bankruptcy or other financial reorganisation, and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of the financial assets that would otherwise have been past due or impaired have been renegotiated, the entity recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

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 when the related obligations are discharged, or cancelled or have 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.

f) Impairment of Assets:

At the end of each reporting period, the Entity 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 asset's amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit and loss, unless the asset is carried at a re-valued amount in accordance with another standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a re-valued asset is treated as a revaluation decrease in accordance with that other Standard. Where it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash-generating unit to which the class of asset belongs. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

g) Employee Benefits:

Short-Term Employee Benefits & Retirement Benefit Obligations

No provision is made for the Entity's obligation for short-term or long-term employee benefits, since the directors have determined that it has no employees and hence there are no employee benefits that are expected to be settled at a future date. The directors have also reviewed including their superannuation obligations and any entitlements that any subcontractors may be entitled and have written acknowledgment from all contractors that they are that they bona fida contractors and not deemed employees. The Entity's have mainly contracts with someone other than the person who does actually provide the labour that is for example, with a company, trust or a partnership and the directors have determined that the entity does not have to pay those contractors any super.

h) 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.

i) 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 (ATO).

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 on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 September 2018

j) Income Tax:

The directors of the Entity note that income tax is on a self-assess basis and they are of the view that they have income tax exemption status and confirm that each year by a resolution that the entity is entitled to be an income tax exempt for the current reporting financial year given its sporting nature. The directors of the entity acknowledge it is exempt from income tax it has self assessed its exemption in the current year of income and it is a **non-profit** (NFP) club; it is established for the encouragement of a game or sport, and it complies with all the substantive requirements in its governing rules, and it operate only in a manner consistent with its rules of core importance to its operation, including those related to its object and purpose and those relating to its NFP status.

k) Intangibles – Software:

Software is initially recognised at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses.

l) Provisions:

Provisions are recognised when the Entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting date.

m) Comparative Figures:

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

n) Trade and Other Payables:

Trade and other payables represent the liabilities for goods and services received by the Entity during the reporting period which remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

o) Critical Accounting Estimates and Judgments:

The Directors evaluate estimates and judgments incorporated into the financial statement 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 Entity.

p) Key Estimates Impairment:

The Key estimates - impairment of property, plant and equipment. The Entity assesses impairment at the end of each reporting period by evaluating conditions specific to it that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions, and the directors believe the carrying value of all the property, plant and equipment correctly reflects the fair value.

Key judgments - impairment of receivables- The entity assesses impairment of receivables by considering the ageing of receivables, communication with the debtors and prior history. As at year end, no provision for impairment of receivables has been recorded.

q) Fair Value of Assets and Liabilities

The Entity measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. "Fair Value is the price the Entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to make values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity to the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the Entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non- financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the Entity's own equity instruments (if any) may be valued, where there is no observable market in price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 September 2018

r) Going concern

The financial statements have been prepared on the going concern basis, which indicates continuity of business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Directors are confident that the Club will be able to continue as a going concern.

s) Authorisation of Financial Report:

The financial report was authorised for issue on 2 November 2018 by the Directors. The Directors have the power to amend the financial report after issue.

Note 2 - Property, plant and equipment

Non-Current Assets

Plant & Equipment

Training Equipment	\$52,266.22	\$50,966.22
Signage	\$36,209.18	\$35,755.54
Office Equipment At Cost	\$7,922.72	\$7,922.72
Club Assets	\$11,624.98	\$8,591.06
Total Plant & Equipment	\$108,023.10	\$103,235.54
Less Accum. Depreciation	<u>(\$77,678.99)</u>	<u>(\$70,095.46)</u>
Total Non-Current Assets	<u>\$30,344.11</u>	<u>\$33,140.08</u>

	2018	2017
	Plant, Office Club Equipment	Plant, Office Club Equipment
Balance at the beginning of year	33140.08	\$37,988.33
Additions	4787.56	\$1,000.00
Depreciation	<u>-7583.53</u>	<u>(\$5,848.25)</u>
Balance at 30 September 2018	<u>30344.11</u>	<u>\$33,140.08</u>

Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

The Directors have reviewed the assumptions adopted in the 2018 valuation and carrying amounts of property, plant and equipment and believe that the carrying value of these assets correctly reflects the fair value at 30 September 2018.

Fair value hierarchy

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy the directors consider that the carrying value of these assets correctly reflects the fair value at 30 September 2018.

Note 3 - FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Objectives and Policies

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

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

	2018	2017
	\$	\$
FINANCIAL ASSETS		
Cash and Cash Equivalents	116,099	155,609
Receivables -Trade & other	134,347	45,951
Total Financial Assets	<u>250,446</u>	<u>201,560</u>

FINANCIAL LIABILITIES

Cash and Cash Equivalents at Bank - Overdraft

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 September 2018

Trade and Other Payables	<u>12,290</u>	<u>1,664</u>
Total Financial Liabilities	<u>12,290</u>	<u>1,664</u>

The main risks arising from the entities financial instruments are liquidity risk, credit risk and market price risk. The entity does not use derivative instruments to manage risks associated with its financial instruments.

The Directors have overall responsibility for risk management, including risks associated with financial instruments. Risk management policies are established to identify and analyse the risks associated with the entities financial instruments, to set appropriate risk limits and controls and to monitor adherence to limits

The Board Finance Committee is responsible for the monitoring the effectiveness of the entities risk management policies and processes and to regularly review risk management policies

and systems, taking into account market conditions

and the entities activities. The Board Finance Committee is responsible for developing and monitoring investment policies.

This note presents information about the entities exposure to liquidity, credit and market risk and its objectives, policies & processes for measuring & managing risk. Further quantitative disclosures are included throughout these financial statements.

Liquidity Risk

Liquidity risk is the risk that the entity will not be able to fund its obligations as they fall due.

The entity manages liquidity risk by monitoring forecast flows and ensuring that adequate liquid funds are available to meet normal operating expenses.

The tables below reflects the contractual maturities of financial liabilities including estimated interest payments.

Credit Risk

Credit Risk is the risk of financial loss to a company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity as at year end.

Funds are deposited only with those banks and financial institutions approved by the Board. Such approval is only given in respect of banks that hold AA ratings from reputable ratings agencies.

Market Price Risk

Market price risk is the risk in changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the entities income or the value of its holdings of its financial instruments.

The entity is exposed to one source of market price risk being fluctuations in interest rates due to having a variable term bank loan.

Interest Rate Risk

Interest rate risk refers to the risk that the value of financial instruments or cash flows associated with the instrument will fluctuate due to changes in market interest rates.

The entity is exposed to interest rate fluctuations on its cash at bank and cash on deposit and a variable term loan.

The entity actively monitors interest rates for cash at bank and on deposit to maximise interest income.

Note 4 - Membership Guarantee and contribution to winding up

The Club is a Company Limited by Guarantee and is incorporated under the Corporations Act 2001.

If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the entity.

The total amount that the members of the entity are liable to contribute if the entity is wound up is \$17,000. The number of Members as at 30th September 2018 is 850 (2017 -18) an increase of 213.

Note 5 - Contingencies- Contingent Liabilities and Contingent assets

There are currently no contingent liabilities or assets that require disclosure in the Financial Report.

There may be contingent assets or contingent liabilities at a future date since this company is a member of another Company whose name is North Harbour Rays Limited which is a not-for-profit entity is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. North Harbour Rays Limited has a members' agreement, which was signed on 22 May 2014 and it has four members parties, being as follows; (1) Gordon Rugby Football Club Limited ABN 37 068 508 565; (2) Manly Rugby Union Club Limited ABN 66 000 157 595; (3) Northern Suburbs Rugby Football Club Limited ABN 99 000 120 829; (4) Warringah Rugby Football Club Limited ABN 57 000 497 398. All of these four members are or shall be members of the Company and their respective liability shall be limited by guarantee under the Constitution of North Harbour Rays Limited. In the last audited accounts of North Harbour Rays Limited as at 31 December 2016 in the financial report Note 14 (heading) Members Guarantee it was stated "... that if the Company is wound up each member is required to contribute 25% each towards meeting any outstanding obligations of the entity. At 31 December 2017, the total amount that members of the Company are liable to contribute if the Company wound up is \$0 (2017: \$0)." It is further noted that recently this company changed its name from North Harbour Rays Limited to Sydney Rays Limited

Note 6 - Commitments

There are no commitments as at 30 September 2018

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 September 2018

Note 7- Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 8 - Equity and reserves

Retained earnings include all current and prior period retained profits and movements are noted in the Statement of Changes in Equity retained earning line in that statement., and then this forms part of the total Retained Earning in the Statement of Financial Position at 30 September 2018.

Note 9 - Related Parties & other related party transactions

Related and 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 parties unless otherwise stated. There have been no transactions with related parties and for disclosure purposes the names of Directors and other officers who have held office during the financial year are listed in the Directors Report. The Directors receive no remuneration or retirement benefits.

Note 10 - Key Management Personnel

The key management personnel of the Company are the Board of Directors. Key Management personnel have not received any compensation for the year ended 30 September 2018 (2017: \$nil).

Note 11- Events after the reporting period

No matters or circumstances have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the Entity, the results of those operations, or the state of affairs of the Entity in financial years subsequent to the twelve months ended 30th September 2018.

Freeman & Chirillo

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1.11.2018

Treasurer/ Director of Warringah Rugby Club Limited

ABN 57 000 497 398

1472 Pittwater Rd,

North Narrabeen NSW 2101

Dear Directors,

Management Letter for Review of financial report of Warringah Rugby Club Limited

We are pleased to report that we have completed our review the financial report of Warringah Rugby Club Limited for the year ended 30 September 2018, as per our engagement letter dated 1.11.2018.

We confirm that during our review, we have maintained our professional independence requirements and complied with the provisions of the *Corporations Act 2001*.

In the spirit of this confirmation, we have prepared the following comments in this management letter so as to enable you to have a clear understanding of your requested review.

Essentially as previously noted the scope of our review of your financial report is substantially less than the scope of an audit conducted in accordance with auditing standards the objective of which is the expression of an opinion regarding the financial report. Our review report has been modified based on work performed, which it has been as discussed and communicated to the directors and noted in the Financial Report for Year Ended 30 September 2018.

As previously advised the directors of the company are responsible for the preparation of the annual financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error, and the directors are responsible for the financial reports and has determined that the accounting policies used are consistent with the financial reporting requirements. We note that due to the Company's size and management there were not extensive internal control and our review cannot be expected to disclose every weakness.

In our review of the financial report of Warringah Rugby Club Limited for the year ended 30 September 2018, we have noted certain matters that have been disclosed in your of the financial report and have also been noted in our independent review report to the members. We note that your financial report that we reviewed comprises of the following; the statement of financial position as at 30 September 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, and notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

We note that in our Independent Review Report to the Members with the heading "Basis for qualified conclusion" we noted that receipts from cash donations and other cash fundraising activities are a significant source of revenue and the directors of Warringah Rugby Club Limited have determined that it is impracticable to establish control over the collection of donations and other fundraising activity revenue prior to entry in its financial records. Accordingly, as the evidence available to us about revenue from these sources was limited, our review procedures for donations and other fundraising activity revenue had to be

restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion on whether cash donations and other cash fundraising activity revenue obtained by the **Warringah Rugby Club Limited** are complete.

We further noted that in our report in resulted in a Qualified Conclusion paragraph, which was based on our review and discussion with the directors, and we noted that it was not an audit, we also noted that we a re unable to express an opinion on whether cash donations and other cash fundraising activity revenue obtained by the **Warringah Rugby Club Limited** are complete.

Other matters of note are as follows;

In regard to **Contingencies**, in the notes to the accounts - Contingent Liabilities and Contingent assets, it was stated that there may be contingent assets or contingent liabilities at a future date since this company is a member of another Company whose name is North Harbour Rays Limited which is a not-for-profit entity is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. North Harbour Rays Limited has a members' agreement, which was signed on 22 May 2014 and it has four members parties, being as follows; (1) Gordon Rugby Football Club Limited ABN 37 068 508 565; (2) Manly Rugby Union Club Limited ABN 66 000 157 595; (3) Northern Suburbs Rugby Football Club Limited ABN 99 000 120 829; (4) Warringah Rugby Football Club Limited ABN 57 000 497 398. All of these four members are or shall be members of the Company and their respective liability shall be limited by guarantee under the Constitution of North Harbour Rays Limited. It was further noted that in the last audited accounts of North Harbour Rays Limited as at 31 December 2016 in the financial report Note 14 (heading) Members Guarantee it was stated "... that if the Company is wound up each member is required to contribute 25% each towards meeting any outstanding obligations of the entity. At 31 December 2017, the total amount that members of the Company are liable to contribute if the Company wound up is \$0 (2016: \$0)." We are informed it is the same for the current Year Ended 30 September 2018, and there is no further disclosure required in the Financial Report for Year Ended 30 September 2018 regarding this matter we note that we have requested a copy of the North Harbour Rays Limited as at 31 December 2017 financial report so as to confirm this matter and have not been provided a copy thereof.

Conclusionn

We are pleased to note that we have not had any unresolved disagreements with management about matters that individually or in aggregate could be significant to the financial report. Furthermore, management has not sought to influence our views on matters relevant to our opinion. We thank your directors and in particular your treasurer, your general manager & book keeper for their courtesy and co-operation that was given to us during our review. If you require any further details or information on any aspects of this report, please do not hesitate to contact us.

With kind regards

Anthony Chirillo,
B. Bus, FCA, Registered Company Auditor
Freeman & Chirillo Chartered Accountants & Business Consultants

Freeman & Chirillo

Chartered Accountants & Business Consultants

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The Director of
Warringah Rugby Club Limited
ABN 57 000 497 398
1472 Pittwater Rd,
North Narrabeen NSW 2101
02) 9970 7599

TO THE MEMBERS OF WARRINGAH RUGBY CLUB LIMITED INDEPENDENT REVIEW REPORT

Report on the financial report

We have reviewed the accompanying annual financial report of **Warringah Rugby Club Limited**, which comprises the statement of financial position as at 30 September 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the annual financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Assurance practitioner's responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2415 Review of a Financial Report – Company Limited by Guarantee, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 30 September 2018 and its performance for the year ended on that date; and complying with the Australian Accounting Standards and Corporations Regulations 2001. ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report. A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of **Warringah Rugby Club Limited**, would be in the same terms if given to the directors as at the time of this reviewer's report.

Conclusion

Review Report qualification

Basis for qualified conclusion

Receipts from cash donations and other cash fundraising activities are a significant source of revenue for the **Warringah Rugby Club Limited**. The directors of Warringah Rugby Club Limited have determined that it is impracticable to establish control over the collection of donations and other fundraising activity revenue prior to entry in its financial records. Accordingly, as the evidence available to us about revenue from these sources was limited, our review procedures for donations and other fundraising activity revenue had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion on whether cash donations and other cash fundraising activity revenue obtained by the Warringah Rugby Club Limited are complete.

Emphasis of matter

We draw attention to **Note 1 Accounting Policies**

(a) **Revenue:** to the financial report which describes the revenue recognition policy of **Warringah Rugby Club Limited** including the limitations that exist in relation to the recording of cash receipts from the Company fundraising revenue. Revenue from this source represents a significant proportion of **Warringah Rugby Club Limited's** revenue. Our opinion is unmodified in respect of this matter; and

Qualified conclusion

Except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, based on our review, which is not an audit, we have noted that we are unable to express an opinion on for this matters that is; in regard to whether cash donations and other cash fundraising activity revenue obtained by the **Warringah Rugby Club Limited** are complete and it is noted that this is customary concern for a sporting Club being a not for profit entity there always issues of concern in regard to cash fundraising revenue. Our review for cash fundraising activity revenue was restricted to the amounts recorded in the financial records, and during our review we gained no knowledge of any allegations of fraud, or suspected fraud regarding cash fundraising activity;

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of **Warringah Rugby Club Limited** does not present fairly, the financial position of the **Warringah Rugby Club Limited** at 30 September 2018 and its financial performance and its cash flows for the year then ended in all material respects in accordance with the accounting policies described in Note 1 to the financial statements.

We have further not become aware of any matter other than the above matter described in the Basis for Qualified Conclusion that makes us believe that the financial report of **Warringah Rugby Club Limited** is materially not in accordance with the Corporations Act 2001 including:

- giving a true and fair view of the company's financial position as at 30 September 2018 and of its performance for the year ended on that date; and
- complying with Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards in all material respects to the extent noted in the accounting policies described in Note 1 (a) revenue and Corporations Regulations 2001.

A. Chirillo

FREEMAN & CHIRILLO CHARTERED ACCOUNTANTS

1A Sydenham Rd, Brookvale

Dated this day of November 2018

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**REVIEWER'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF WARRINGAH RUGBY CLUB LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30th September 2018 there have been

- I. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- II. No contraventions of any applicable code of professional conduct in

A. Chirillo
FREEMAN & CHIRILLO CHARTERED ACCOUNTANTS
1A Sydenham Rd, Brookvale

Dated this day of November 2018