

# 2015-2016 ANNUAL REPORT

**MERIMBULA**  
RSL CLUB



# MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

## ANNUAL GENERAL MEETING

To be held in the Merimbula RSL Club on Wednesday, 26th October, 2016, at 8pm.

### MEETING AGENDA:

1. Apologies.
2. Confirmation of Minutes for Annual General Meeting held on 28th October, 2015.
3. To receive and consider the Financial Statement of the Company for the year ended 30th June, 2016 and the Reports by Directors and Auditors thereon.
4. First Ordinary Resolution: President's Honorarium.
5. Second Ordinary Resolution: Director's Honorarium.
6. Third Ordinary Resolution: Expenditure on Directors' food, beverages and other expenses.
7. Fourth Ordinary Resolution: Expenditure on Directors' educational and seminar expenses.

*Note: The Ordinary Resolutions 1 to 4 are printed on page 2 of this Notice and Notes on the Ordinary Resolutions are printed on page 3 of this Notice.*

### 8. Notice of Special Resolution:

Structure of the Board of Directors.

To consider, and if thought fit vote on a Special Resolution as set out in the attached notice to amend the Club's constitution. The Special Resolution proposes to alter the composition of the Board from four (4) Service or Service life members and three (3) Club or Club life members to seven (7) Financial Full Members. This Special Resolution is to be voted on at the Annual General Meeting in 2016 to take effect from the Annual General Meeting and election of Directors in 2017.

9. **General Business:** Notice of which was supplied to the Secretary Manager in writing prior to this meeting.

*By order of the Board,*

**M. MUTSCH**  
Secretary Manager

*24th August, 2016*

## NOTICE OF INFORMATION MEETING

After the conclusion of the Annual General Meeting, the Board will hold an information meeting about proposed renovations and building works to the Club's premises, and a possible loan to undertake those works.

The Board will be asking members present to indicate whether they agree with the Club undertaking those actions.

# MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

## ORDINARY RESOLUTIONS

NOTICE is hereby given that at the Annual General Meeting of the MERIMBULA RSL CLUB LIMITED to be held on Wednesday, 26th October, 2016, commencing at 8.00pm, on the Club premises at 52-54 Main Street, Merimbula, New South Wales, the Members will be asked to consider, and if thought fit, pass the following resolutions.

### **FIRST ORDINARY RESOLUTION:**

#### **Item 4 of the Agenda: President's Honorarium:**

That pursuant to the Registered Clubs Act 10 (6) (b):

"The Members hereby approve an amount of \$8,270 be paid to the President as an Honorarium for the 2016/17 Financial Year."

### **SECOND ORDINARY RESOLUTION:**

#### **Item 5 of the Agenda: Directors' Honorarium:**

That pursuant to the Registered Clubs Act 10 (6) (b):

"The Members hereby approve an amount of \$2,962 to each of the two (2) Vice-Presidents and \$2,038 to each of the four (4) other Directors as a Directors' Honorarium for the 2016/17 Financial Year."

### **THIRD ORDINARY RESOLUTION:**

#### **Item 6 of the Agenda: Directors' Food, Beverages and Other Expenses:**

That pursuant to the Registered Clubs Act:

- (a) "The Members hereby approve and agree to reasonable expenditure by the Club until the next Annual General Meeting of the Club for the following activities of Directors:
- (i) The reasonable cost of a meal and beverage for each Director immediately before or immediately after a Board or Committee Meeting where the Meeting corresponds with a normal meal time.
  - (ii) Reasonable expenses incurred by Directors in relation to such duties including the entertainment of special guests to the Club and other promotional activities performed by Directors which activities and the expenses there from are approved by the Board before payment is made on production of receipts, invoices or other documentary evidence of such expenditure.
  - (iii) Reasonable expenditure on food and beverages for Directors and their spouses on one dinner per year and other functions where appropriate and required to represent the Club."
- (b) "The Members acknowledge that the benefits in paragraph (a) above are not available to Members generally but only for those who are Directors of the Club."

### **FOURTH ORDINARY RESOLUTION:**

#### **Item 7 of the Agenda: Directors' Educational and Seminar Expenses:**

That pursuant to the Registered Clubs Act:

- (a) "The Members hereby approve and agree to reasonable expenditure by the Club for the professional development and education of Directors until the next Annual General Meeting of the Club and being:
- (i) The reasonable cost of Directors attending the Clubs NSW Annual General Meeting.
  - (ii) The reasonable cost of Directors attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time.
  - (iii) The reasonable cost of Directors attending other Registered Clubs or similar types of businesses for the purpose of observing their facilities and methods of operation provided such attendances are approved by the Board as being necessary for the betterment of the Club.
  - (iv) Attendance at functions with spouses where appropriate, and required to represent the Club."
- (b) "The Members acknowledge that the benefits in paragraph (a) above are not available to Members generally but only to those who are Directors of the Club and those Members directly involved in the above activities."

# MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

## NOTES TO MEMBERS ON ORDINARY RESOLUTIONS

These notes are to be read in conjunction with the proposed Resolutions.

1. **Item 4: President's Honorarium**

The purpose of the first resolution is to seek Members approval in a General Meeting, an Honorarium to the President of no more than \$8,270 for the 2016/17 Financial Year.

The existing President Honorarium has been approved at a previous General Meeting and increases by CPI each year.

2. **Item 5: Directors' Honorarium**

The purpose of the second resolution is to seek Members approval in a General Meeting, the recommended amount of \$2,962 for the two (2) Vice Presidents and \$2,038 for the four (4) Directors pursuant to point (8.6) of the Club's Constitution and 10 (6) (b) of the registered Clubs Act.

The existing Directors' Honorariums have been approved at a previous General Meeting and increases by CPI each year.

3. **Item 6: Directors' Food, Beverages and Other Expenses**

The third resolution is to have Members in a General Meeting approve reasonable expenditure by the Club in relation to duties performed by the Club's Directors.

4. **Item 7: Directors' Educational and Seminar Expenses**

The fourth resolution is to have Members in a General Meeting approve reasonable expenditure by the Club for Directors to attend seminars, lectures, trade displays and other similar events including the Clubs NSW Annual General Meeting and to visit other clubs to enable the Club's governing body to keep abreast of current trends and developments which may have a significant bearing on the nature and way in which the Club conducts its business.

5. Each of the resolutions must be passed as a whole and cannot be amended from motions from the floor of the meeting or divided into two or more separate resolutions.

6. To be passed, each Ordinary Resolution must receive votes in its favour from not less than a simple majority of those Members, who being entitled to do so, vote in person at the meeting.

*By order of the Board,*

**M. MUTSCH**  
Secretary Manager

*24th August, 2016*

# MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

## SPECIAL RESOLUTION

NOTICE is hereby given that at the Annual General Meeting of the MERIMBULA RSL CLUB LIMITED to be held on Wednesday, 26th October, 2016 commencing at 8.00 pm, on the Club premises at 52-54 Main Street Merimbula, New South Wales, the Members will be asked to consider, and if thought fit, pass the following Special Resolution.

### **SPECIAL RESOLUTION:**

*(The Special Resolution is to be read in conjunction with the notes to members set out below.)*

That the Constitution of Merimbula RSL Club Limited be amended as follows:

- (a) **inserting** at the start of Rule 27.3 the words “*subject to Rule 27.3A*”.
- (b) **inserting** the following new Rule 27.3A immediately after Rule 27.3:

*“As and from and for the purposes of the Annual General Meeting of the Club and the election of the Board to be held in 2017, the Board of Directors shall consist of seven (7) Financial Full Members of the Club.”*

## NOTES TO MEMBERS IN RELATION TO THE SPECIAL RESOLUTION

- 1. The Constitution currently requires the Board of seven (7) Directors to comprise four (4) Service members and three (3) Club members.
- 2. The definition of Full Member in the Constitution means any person who is in one of the categories referred to in Rule 10.3
- 3. If the Special Resolution is passed, the composition of the Board will be changed from 2017 so that the Board consists of seven (7) Financial Full members of the Merimbula RSL Club Ltd.
- 4. The Members who put forward the special resolution informed the Club that out of the seven thousand four hundred and ninety eight (7,498) members, only one hundred and seventy three (173) are Service members. The rest are Club members.
- 5. The Board and the Club are committed to the traditions of the Club. However, as the number of Sub Branch members continues to decline, the Board wants to ensure that the Club can draw on the widest number of members for the Board.
- 6. The Special Resolution will have no impact on this year’s Annual General Meeting. If passed, it will only affect the structure of the Board from the elections and Annual General Meeting held in 2017, being the next election of the Board.
- 7. To be passed, a Special Resolution requires votes of not less than 75% of eligible voting members who are present and vote in person on the special resolution at the meeting.

*By order of the Board,*

**M. MUTSCH**  
**Secretary Manager**

*24th August, 2016*

## MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

# INFORMATION SESSION FOR MEMBERS ON REFURBISHMENT OF THE CLUB PREMISES AND LOAN FACILITY

1. The Board is proposing to undertake significant building works to the Club's licensed premises. This will involve a refurbishment of various parts of the Club's licensed premises.
2. Under the Club's Constitution and the Corporations Act, the decision to undertake the building works, to enter into contracts, and the final nature of any works undertaken, is a matter for the Board to determine.
3. However, the Board only wants to proceed with the building works if the members support it.
4. Information on the Board's current proposals for the works will be set out in plans that will be exhibited in the Club's premises approximately a week before the information session. Those plans are indicative only, and the plans, designs and scope of works may change.
5. The final decision on what works will be undertaken rests with the Board.
6. The Board wants the ability to establish a loan facility with a financial institution for up to \$500,000 to pay for the building works. At the current time, it is the Board's view that the Club will be able to fund the building works from cash flow. However, it may be necessary to obtain finance.
7. As is the case with the building works themselves, the members in general meeting do not determine whether the Club enters into a loan. This is for the Board to determine.
8. However, the Board only wants to enter into such a loan if the members support the proposal.
9. A presentation on the works will be given at the information session, and members will be able to ask questions at this time.
10. After this, the members present will be asked if they agree to the following

### ***Refurbishment of the Club Premises***

*That the members hereby agree with and support the Board undertaking refurbishment and building works to the Club's premises (being the upgrading and improvements of the dining room, the Scenic Lounge, main bar, TAB, coffee shop and gaming machine area), including without limitation new carpets and furniture.*

### ***The Club to establish a facility with a financial Institution***

*That the members hereby agree with and support the Board of the club establishing a loan facility for up to \$500,000 with a financial institution for the purposes of the refurbishment and building works.*

# **MERIMBULA RSL CLUB LIMITED**

ABN 66 000 965 560

## **PRESIDENT'S REPORT**

Members,

On behalf of the Board of Directors, I have much pleasure in presenting the Financial Report of the Club for the Financial Year 2015/16.

The operating surplus of \$410,958 before Income Tax was a pleasing result for the year and reflects the solid revenue growth from trading in all operating areas. Costs were well contained and for the first time in recent years, the Club's EBITDA performance indicator exceeded 10%.

The financial position of the Club is very sound with no debt and this enables the Board to consider the next stage of its Strategic Plan. With the implementation of the Alfresco gaming area, courtesy bus, Gem rewards program and Thai Cuisine, it is now time to review and upgrade our facilities and to consider options for future development as the opportunities arise. Members will be kept informed as and when actions are identified and information becomes available.

To our Secretary Manager, his management team and staff congratulations on their commitment during the year to the success of the Club.

To my fellow Directors, I personally thank them for their support and counsel during the year. The result for the year represents a positive outcome to the workings of the Board and the decisions made on behalf of Members.

The Club has continued to support the RSL Sub-Branch as it has done in the past.

To the members who have lost loved ones during the year, my condolences.

**GRAEME WILLIAMS**

**President**

# MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

## SECRETARY MANAGER'S REPORT

It is a pleasure to present the Merimbula RSL Club's 60th Annual Report for the 2015/16 Financial Year. The Club's financial performance over the year has allowed the Club to achieve a net profit of \$410,958 (before income tax expense) compared to a profit of \$191,763 in the 2014/15 Financial Year.

From a financial perspective the Club has traded quite well. Revenue from ordinary activities increased by \$767,008 or 7.48%. Overall the Club had a very solid year with regards to income.

- Gaming machine revenue increased by \$463,557 or 9.50%.
- Bar revenue increased by \$150,859 or 9.60% and the bar's gross profit for the year was 63.90% compared to 62.73% last year.
- Bottleshop revenue decreased by \$606 or -0.20%.
- Catering revenue increased by \$103,031 or 3.32%. The gross margin for the year was 56.20% compared to 58.41% last year.

The Club's EBITDA % increased from 8.64% to 10.65% which was pleasing and the first time in five years our Club has moved out of the disaster looming category.

### EBITDA COMPARATIVE FIGURES

	2016	2015	2014	2013
Trading Profit . . . . .	410,958	191,763	49,647	204,546
<i>Add:</i>				
Depreciation . . . . .	806,029	751,174	743,122	737,563
Interest expense . . . . .	0	998	2,677	2,992
<i>Minus:</i>				
Interest Earned . . . . .	(56,267)	(65,249)	(53,023)	(73,407)
<b>EBITDA %</b>	<b>10.65%</b>	<b>8.64%</b>	<b>7.45%</b>	<b>8.79%</b>

On the 3rd of August 2015 your Club commenced its GEM rewards program and I would like to thank all our members for using their member's cards. I am extremely pleased to see our members enjoying the rewards that our loyalty program provides.

The Club continued to contribute to the community with 61 sporting and community groups receiving over \$82,321 in cash donations, 386 free room hires and a number of donated vouchers for fund raising efforts. The Merimbula RSL Club has always played a big part in the community and we enjoy the relationships that we have with all of the sporting clubs and community groups we support.

As mentioned in last year's annual report it is important that we continually upgrade our wonderful Club. During the Financial year, your Club has enhanced our gaming and outdoor areas and upgraded the facilities in our TAB. I think you will agree that looking at the increases in revenue in our gaming area these two projects have proven very popular. The next financial year will also be one of excitement as your Club prepares to refurbish the Club premises and when information becomes available it will be shared with the Club's membership.

I would like to again thank and praise the Department Heads and Supervisors for the job they have done throughout the year and to our front line Staff Gaming, Bar, Catering, Cleaning, Cellar, Door, Administration and Courtesy Bus Drivers you have all done a fantastic job over the past 12 months and the club would not be as hospitable as it is without your input and dedication to your work. Thank you for a job well done.



**MERIMBULA RSL CLUB LIMITED**

ABN 66 000 965 560

**SECRETARY MANAGER'S REPORT** *(continued)*

During the year, the Board of Directors have been involved in various courses relating to professional development to help keep the club at the forefront of good business management and the various sub committees have been active in their roles and report back to the Board on their activities. To President Mr Graeme Williams and the Board of Directors, I again thank you for your support during the last 12 months.

All I have thanked above are important for the success of the Club, however the most important requirement to any successful club is the continued patronage of its Members. With that in mind, I would like to thank all our Members for their continued support and usage of the Club's facilities, as well as their support to Management and Staff.

Thank you Members, Directors, fellow Management and Staff for a successful year and I look forward to the challenges of 2017.

**MICHAEL MUTSCH**  
Secretary Manager

# MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

## DIRECTORS' REPORT

Your Directors present their report on the company for the year ended 30th June, 2016.

### Directors:

Names of Directors in office at any time during or since the end of the year are: Mr Allan F. Browning, Mr Philip J. Cheek, Mr David J. Crawford, Mr John F. Finn, Mr Alan J. Johnson, Mr David J. Rankin, Mr Graeme N. Williams.

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

### Principal Activities:

The principal activities of the Company in the course of the year were that of a Registered Club. There were no significant changes in the nature of the company's activities during the year.

### Objectives and Strategies of the Company:

The short term objectives remain constant with the emphasis on revenue of gaming, beverage sales, provision of meals and entertainment to members and their guests. Medium to long term strategies are centred on the identification of threats to our Club and industry which is monitored through our most recent "risk Analysis and Strategic Plan". The Company adopts current registered club industry practices and strategies to ensure that the short and long term objectives are met.

### Measurement of Performance:

The Company assesses its performance in terms of its achievement of strategic and financial objectives with reference to:

- the quality of the service and facilities provided to members;
- the ability to generate strong cash flows from its operating activities;
- the trading and overall financial result; and
- the stability of the statement of financial position with respect to the Company's liquidity.

### Result:

The net operating profit after providing for income tax expense amounted to \$415,757 made up as follows:

Net Operating Profit before Income Tax expense	\$410,958
<b>Plus:</b> Income Tax Expense	4,799
Net Operating Profit	<u>\$415,757</u>

### Members' Details and Guarantee:

The number of registered members of the Club as at the 30th June, 2016 is 7,498 (last year 7,332) consisting of 173 Service Members, 7,323 Club Members and 2 Honorary Life Members.

As a Company Limited by guarantee, every member of the Company has undertaken to contribute an amount not exceeding \$2.00 on the event of the Company being wound up. Such contribution will only be required in the event that assets of the Company are insufficient to meet the payments of the debt and liabilities of the Company at the time of winding up, including the costs, charges and expenses of the winding up. The amount will be payable by all existing members at the time of winding up and those members ceasing membership one year prior to that date.

# MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

## DIRECTORS' REPORT *(continued)*

### Additional Information on Directors:

*Mr Allan F. Browning:* Garden Centre owner, member of House Committee, Service Board member since 30/8/10, no other Directorships held.

*Mr Philip J. Cheek:* Retired, member of the Finance and Catering Committees, Service Board Member since 24/10/12, no other Directorships held.

*Mr David J. Crawford:* Retired, member of the Finance and House Committees, Club Board Member since 27/10/10, no other Directorships held.

*Mr John F. Finn:* Retired, member of Finance and Catering Committees, Service Board member since 29/10/08, no other Directorships held.

*Mr Alan J. Johnson:* Retired, member of the House and Catering Committees, Club Board Member since 25/3/93, no other Directorships held.

*Mr David J. Rankin:* Retired, member of the House Committee, Club Board Member since 28/7/14, no other Directorships held.

*Mr Graeme N. Williams:* CPA, Retired, President and member of the Finance Committee, Service Board Member since 27/10/99, no other Directorships held.

Each Director is a financial Member of the Merimbula RSL Club Limited.

### Meetings of Directors:

During the financial year 35 meetings of Directors (including committees) were held. Attendances were:

	<b>Directors' Meetings:</b>		<b>Committee Meetings:</b>	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Allan F. Browning . . . . .	13	13	4	4
Philip J. Cheek . . . . .	13	13	18	18
David J. Crawford . . . . .	13	11	16	12
John F. Finn . . . . .	13	12	18	15
Alan J. Johnson . . . . .	13	13	8	8
David J. Rankin . . . . .	13	13	4	4
Graeme N. Williams . . . . .	13	13	14	14

### Directors' Benefits:

No Director has received, or become entitled to receive, during or since the end of the Financial year, a benefit because of a contract made by the company controlled entity or a related body corporate with a Director, a firm of which a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the company accounts with the exception of Mr David Rankin who received benefits for the provision of Accounting Services.

### Auditor's Independence Declaration:

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act, 2001, (Cth) is set out in the following page of the financial report.

This report is made in accordance with a resolution of the directors on 24th August, 2016.

**G.N. WILLIAMS, Director**

**J.F. FINN, Director**

# MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

## DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The Financial Statements and Notes for the year ended 30th June, 2016 are in accordance with the Corporations Act 2001.
  - (a) Comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
  - (b) Give a true and fair view of the financial position of the Company as at 30th June, 2016 and of its performance for the year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with the resolution of the Board of Directors and is signed for and on behalf of the Directors by:

**G.N. WILLIAMS, Director**  
**J.F. FINN, Director**

*Dated at Merimbula,  
24th August, 2016*

## BOARD OF DIRECTORS 2015/16



*Back from left: Dave Rankin, Michael Mutsch (Secretary Manager), John Finn (Vice-President) and Alan Johnson; front from left: Phil Cheek (Vice-President), Graeme Williams (President) and John Crawford; inset: Allan Browning*

**MERIMBULA RSL CLUB LIMITED**

ABN 66 000 965 560

**AUDITOR'S INDEPENDENCE DECLARATION**

Under Section 307C of the Corporations Act 2001 to the Directors of Merimbula RSL Club Limited. I declare that, to the best of my knowledge and belief, during the year ended 30th June, 2016, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001, (Cth) in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**RICHARD C PARBERY FCPA**

Registered Company Auditor (1864)

*24th August, 2016*

101 Main Street, Merimbula, NSW 2548



**333,354**  
Visits to our Club



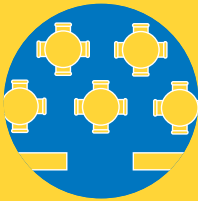
**3**  
Bars



**1**  
Restaurant



**1**  
Coffee shop



**4**  
Function  
Rooms

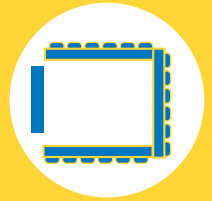
**MERIMBULA**  
**RSL CLUB**  
**2015-2016**  
**CLUB**  
**SNAPSHOT**



**61**  
Community  
Groups  
Supported



**92**  
Staff



**386**  
Free Room  
Hires given



**7498**  
Members



**1**  
Courtesy Bus



**1100**  
Facebook  
Followers



**No.1**  
Restaurant  
on Trip Advisor

**MERIMBULA RSL CLUB LIMITED**

ABN 66 000 965 560

**STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME***For the year ended 30th June, 2016*

2015 \$		Note	2016 \$
<b>10,248,153</b>	<b>Revenue from Ordinary Activities</b>	1(c)	<b>11,015,161</b>
(2,147,070)	Cost of Sales		(2,273,189)
(3,979,101)	Employees Expenses		(4,184,859)
(17,812)	Financial Expenses		(17,993)
(10,646)	Members' Amenities		(13,721)
(70,307)	Property Expenses		(65,420)
(751,174)	Depreciation		(806,029)
(878,715)	Poker Machine Tax		(998,664)
(647,335)	Promotions		(560,002)
(287,879)	Electricity and Gas		(189,182)
(71,611)	General Insurance		(69,965)
(42,205)	Printing, Postage and Stationery		(52,032)
(222,865)	Repairs and Maintenance		(290,250)
(161,274)	TAB Expense		(162,868)
(768,396)	Other Expenses		(920,029)
191,763	Operating Profit Before Income Tax	2	410,958
(8,630)	Income Tax Attributable to Operating Profit	4	4,799
<b>183,133</b>	<b>Operating Profit Attributable to Members of the Company</b>		<b>415,757</b>

*The accompanying Notes form part of the above Statement*

**MERIMBULA RSL CLUB LIMITED**

ABN 66 000 965 560

**STATEMENT OF FINANCIAL POSITION***As at 30th June, 2016*

2015 \$		Note	2016 \$
	<b>Current Assets:</b>		
2,763,112	Cash	6	3,136,920
9,858	Receivables	7	1,592
43,776	Deferred Tax	4A	48,575
126,592	Inventories	8	155,576
92,194	Other	9	103,420
<b>3,035,532</b>	<b>Total Current Assets</b>		<b>3,446,083</b>
	<b>Non Current Assets:</b>		
9,937,397	Property, Plant and Equipment	10	9,935,628
<b>9,937,397</b>	<b>Total Non Current Assets</b>		<b>9,935,628</b>
<b>12,972,929</b>	<b>Total Assets</b>		<b>13,381,711</b>
	<b>Current Liabilities:</b>		
387,662	Payables	11	315,975
638,464	Provisions	12 & 12a	672,048
27,019	Income in Advance	13	29,169
283,257	Current Tax Liabilities	14	313,162
<b>1,336,402</b>	<b>Total Current Liabilities</b>		<b>1,330,354</b>
	<b>Non Current Liabilities:</b>		
40,819	Provisions	12	42,705
37,403	Income in Advance	13	34,590
<b>78,222</b>	<b>Total Non Current Liabilities</b>		<b>77,295</b>
<b>1,414,624</b>	<b>Total Liabilities</b>		<b>1,407,649</b>
<b>11,558,305</b>	<b>Net Assets</b>		<b>11,974,062</b>
	<b>Members' Funds:</b>		
336,242	Reserves	17	336,242
11,222,063	Retained Profits		11,637,820
<b>11,558,305</b>	<b>Total Members' Funds</b>		<b>11,974,062</b>

*The accompanying Notes form part of the above Statement of Financial Position*



# MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30th June, 2016

2015 \$		2016 \$
11,375,172	Total Equity at the beginning of the Financial Year	11,558,305
183,133	Operating surplus attributable to the Members of the Company	415,757
<b>11,558,305</b>	<b>Total Equity at the end of the Financial Year</b>	<b>11,974,062</b>

## STATEMENT OF CASH FLOWS

For the year ended 30th June, 2016

2015 \$		Note	2016 \$
	<b>Cash Flow from Operating Activities:</b>		
10,022,002	Receipts from Customers		10,778,368
(9,255,351)	Payments to Suppliers and Employees		(9,749,876)
33,662	Members' Subscriptions		36,920
63,836	Interest Received		52,894
<b>864,149</b>	<b>Net Cash provided by Operating Activities</b>	5	<b>1,118,306</b>
	<b>Cash Flow from Investing Activities:</b>		
(498,116)	Payment for Property, Plant and Equipment		(744,498)
<b>(498,116)</b>	<b>Net Cash used in Investing Activities</b>		<b>(744,498)</b>
	<b>Cash Flow from Financing Activities:</b>		
(50,000)	Repayments of Borrowings		0
<b>(50,000)</b>	<b>Net Cash used in Financing Activities</b>		<b>0</b>
<b>316,033</b>	<b>Net (Decrease)/Increase in Cash held</b>		<b>373,808</b>
<b>2,447,079</b>	<b>Cash at Beginning of Financial Year</b>		<b>2,763,112</b>
<b>2,763,112</b>	<b>Cash at End of Financial Year</b>	6	<b>3,136,920</b>

The accompanying Notes form part of the above Cash Flow Statement

# MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

## NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 2016

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Preparation:**

The Merimbula RSL Club Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

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

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

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

The financial statements were authorised for issue on 24th August 2016 by the directors of the company.

#### **Accounting Policies:**

(a) **Inventories:** Inventories are measured at the lower of cost and net realisable value.

(b) **Property, Plant and Equipment:**

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

1. **Property:**

Freehold land and buildings are shown at cost less subsequent depreciation for buildings. It is the policy of the economic entity to have an independent valuation every three years, by external independent valuer, with annual appraisals being made by Directors – refer Note 10.

2. **Plant and Equipment:**

Plant and Equipment are measured on the cost basis and are therefore carried at cost, less where applicable, accumulated depreciation and any accumulated impairment.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present – refer Note 1(m).

# MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### Accounting Policies: *(continued)*

#### 3. Depreciation:

The depreciable amount of all fixed assets including building and capitalised lease assets but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is available 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:-

<b>Class of Fixed Asset:</b>	<b>Depreciation Rate:</b>
Buildings	2.5% to 5%
Plant and Equipment	10% to 22.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

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

#### (c) Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of taxes, returns, trade allowances, rebates and amounts collected on behalf of third parties. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. Revenue is recognised for the major business activities as follows:

##### **Sale of Goods:**

Revenue is taken to account when the control of the goods has passed to the buyer.

##### **Interest:**

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

##### **Rental Income:**

Revenue is taken to account in the period to which the rent relates.

##### **Subscriptions:**

Subscriptions for annual membership are recognised in revenue over the membership year.

All Revenue is stated net of the amount of Goods and Services Tax.

# MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### Operating Revenue:

2015 \$		2016 \$
	<b>Operating Revenue:</b>	
4,877,015	Poker Machine Takings	5,340,571
3,104,210	Catering	3,207,241
299,807	Bottleshop	299,202
1,570,912	Bar Sales	1,721,770
32,969	Members' Subscriptions	37,583
96,414	Keno	103,227
1,206	Vending Commission	1,037
69,292	Other Income	81,195
55,110	TAB Commission	55,348
<b>10,106,935</b>	<b>Total Operating Revenue</b>	<b>10,847,174</b>
	<b>Non Operating Revenue:</b>	
7,469	Rent Received	7,304
65,249	Interest	56,267
68,500	Sale of Assets	104,416
<b>141,218</b>	<b>Total Non Operating Revenue</b>	<b>167,987</b>
<b>10,248,153</b>	<b>TOTAL REVENUE FROM ORDINARY ACTIVITIES</b>	<b>11,015,161</b>

### (d) Employee Provisions:

#### Short-term employee provisions:

Provision is made for the company's obligation for short-term employee benefits. Short-term employees 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 employee render the related service, including wages, salaries and sick leave. Short-term employees benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

#### Other long-term employee provisions:

Provision is made for employees long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payment 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 as a part of employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlements for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

#### Provisions:

Provisions are recognised when the Company 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 are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

# MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### (e) **Income Tax:**

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss. Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of offset exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of offsets exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

### (f) **Cash and Cash Equivalents:**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdraft.

Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

### (g) **Trade Receivables:**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition. Collectability of trade debtors is reviewed on an on-going basis. Debts which are known to be uncollectable are written off. A provision for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

# MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) **Trade and other Payables:**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

(i) **Members' Subscriptions in Advance:**

Subscriptions received in advance for the financial year have been carried forward as a current or non-current liability.

(j) **Comparative Figures:**

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

(k) **Goods and Services Tax (GST):**

Revenue, 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. 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 taxation authority 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 taxation authority are presented as operating cash flows.

(l) **Critical Accounting Estimates and Judgement:**

The directors evaluate estimates and judgements incorporated into the financial reports 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.

**Financial Instruments:**

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 company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments 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 recognised in profit or loss immediately.

**Classification and subsequent measurement:**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction or impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

# MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 payment 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 value with a consequential recognition of an income or expense in profit or loss.

### **Financial Liabilities:**

Non-derivative financial liabilities are subsequently measured at amortised cost.

### **(m) Impairment of Assets:**

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and other Comprehensive Income. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### **(n) Retirement Benefit Obligations:**

Defined contribution superannuation benefits

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (currently 9.5% of the employees average ordinary salary) to the employees superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable.

The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

# MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

## NOTE 2: CLASSIFICATION OF INCOME AND EXPENSES BY FUNCTION

2015 \$	(a) Profit from ordinary activities before Income Tax expense:	2016 \$
2,369,004	Poker Machines	2,768,115
340,793	Bar	437,606
83,962	Catering and Coffee Shop	(22,307)
3,145	Bottleshop	(4,121)
396,209	Other Income	446,377
<b>3,193,113</b>		<b>3,625,670</b>
	<b>(b) Operating Profit has been determined after charging as expenses:</b>	
1,530,678	Indirect Labour and Overheads	1,671,236
17,813	Financial Expenses	17,993
10,647	Members' Amenities	13,721
176,616	Property Expenses	233,595
390,636	Depreciation	406,400
874,960	Administration Expenses	871,767
<b>3,001,350</b>		<b>3,214,712</b>
<b>191,763</b>	<b>Profit from ordinary activities before Income Tax Expense</b>	<b>410,958</b>
	<b>(c) Trading Profit from Poker Machines has been determined after:</b>	
<b>4,877,015</b>	Crediting as Income	<b>5,340,571</b>
	<b>Charging as Expenses:</b>	
60,478	CMS Costs	62,221
878,715	Poker Machine Tax	998,664
380,123	Direct Labour	390,309
15,794	Payroll Tax	15,350
7,233	Workers' Compensation	6,649
33,311	Superannuation	31,822
76,000	Electricity	59,500
77,389	Repairs and Maintenance	76,866
647,335	Promotions	560,002
331,633	Depreciation	371,073
<b>2,508,011</b>		<b>2,572,456</b>
<b>2,369,004</b>	<b>Trading Profit from Bar has been determined after:</b>	<b>2,768,115</b>
<b>1,570,912</b>	Crediting as Income	<b>1,721,770</b>
	<b>Charging as Expenses:</b>	
585,448	Cost of Goods Sold	621,632
478,116	Direct Labour	484,655
20,657	Payroll Tax	20,450
8,052	Workers' Compensation	7,282
43,412	Superannuation	42,367
47,350	Electricity	43,600
0	Discounts and Promotions	14,057
29,086	Bar Requirements	31,144
1,990	Bar Laundry	2,300
4,241	Freight Inwards	2,966
11,767	Staff Uniforms	13,711
<b>1,230,119</b>		<b>1,284,164</b>
<b>340,793</b>		<b>437,606</b>



# MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

## NOTE 2: CLASSIFICATION OF INCOME AND EXPENSES BY FUNCTION *(continued)*

	<b>Trading Profit from Catering and Coffee Shop has been determined after:</b>	<b>2016 \$</b>
2,984,308	Crediting as Income	3,176,453
119,902	Subsidies	30,788
<b>3,104,210</b>		<b>3,207,241</b>
	<b>Charging as Expenses:</b>	
1,304,808	Cost of Goods Sold	1,404,700
1,328,280	Direct Labour	1,393,382
19,980	Cleaning	26,418
79,536	Electricity and Gas	79,504
2,926	Freight inwards	3,294
3,618	General	4,626
3,249	Laundry	2,311
0	Discounts and Promotions	21,510
59,600	Payroll Tax	63,837
39,166	Replacements	45,209
124,004	Superannuation	132,226
24,736	Workers' Compensation	22,535
1,440	Telephone	1,440
28,905	Depreciation	28,556
<b>3,020,248</b>		<b>3,229,548</b>
<b>83,962</b>		<b>(22,307)</b>
	<b>Trading Profit from Bottle Shop has been determined after:</b>	
<b>299,807</b>	Crediting as Income	<b>299,202</b>
	<b>Charging as Expenses:</b>	
250,815	Cost of Goods Sold	246,857
39,823	Direct Labour	40,217
1,695	Payroll Tax	1,845
755	Workers' Compensation	687
3,574	Superannuation	3,830
0	Discounts and Promotions	9,887
<b>296,662</b>		<b>303,323</b>
<b>3,145</b>		<b>(4,121)</b>
	<b>Other Income:</b>	
32,969	Members' Subscriptions	37,583
7,469	Rent Received	7,304
65,249	Interest Received	56,267
96,414	Keno Commission	103,227
55,110	TAB Commission	55,348
70,498	Other Income	82,232
68,500	Profit on Sale of Fixed Asset	104,416
<b>396,209</b>		<b>446,377</b>

# MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

## NOTE 2: CLASSIFICATION OF INCOME AND EXPENSES BY FUNCTION *(continued)*

2015 \$		2016 \$
	<b>(d) Indirect Labour and Overheads:</b>	
572,329	Administration Wages	596,759
222,957	Door Wages	237,156
54,143	Security Wages	56,834
176,052	Cleaning/Maintenance Wages	187,354
112,345	Childminding Wages	125,415
30,998	Courtesy Bus Wages	66,599
69,415	Payroll Tax	74,288
28,701	Workers' Compensation	25,991
63,048	Staff and Directors' Training	87,728
51,695	Staff Meals	56,092
148,995	Superannuation	157,020
<b>1,530,678</b>		<b>1,671,236</b>
	<b>Financial Expenses:</b>	
16,815	Bank Charges	17,993
998	Interest Paid on Loans	0
<b>17,813</b>		<b>17,993</b>
	<b>Members' Amenities:</b>	
1,400	ANZAC Day Expenses	1,633
1,613	Members' Cards	1,803
2,384	Members' Reports	2,910
5,250	Members' Nights	7,375
<b>10,647</b>		<b>13,721</b>
	<b>Property Expenses:</b>	
106,309	General Maintenance and Repairs	168,175
70,307	Rates – Bega Valley Shire	65,420
<b>176,616</b>		<b>233,595</b>
	<b>Depreciation:</b>	
280,671	Freehold Buildings and Carpark	277,962
109,965	Plant and Equipment	128,438
<b>390,636</b>		<b>406,400</b>
	<b>Administration Expenses:</b>	
2,936	Accountancy	2,936
60,341	Advertising	76,776
40,500	Audit	40,500
36,382	General Cleaning	34,821
4,052	Consulting	21,066
9,261	Courtesy Bus	(666)
8,373	Directors' Expenses	6,141
0	Discounts and Promotions	251
73,580	Donations	82,321
84,993	Electricity and Gas	66,078
3,722	Float Variances	4,268
3,143	Freight Inwards	2,008
2,173	Fringe Benefits Tax	2,940

# MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

## NOTE 2: CLASSIFICATION OF INCOME AND EXPENSES BY FUNCTION *(continued)*

2015 \$	<b>Adminstration Expenses (continued):</b>	2016 \$
26,568	General Expenses	42,933
71,475	General Insurance	69,965
8,468	Legal Expenses	1,682
33,119	Licences and Permits	33,429
58,392	Merger Costs	0
34,571	Printing and Stationery	32,498
7,633	Postage	19,534
0	President's and Directors' Allowance	22,126
41,054	Security	42,710
66,826	Sky Channel	64,805
161,274	TAB Expenses	162,868
9,929	Telephones	9,623
26,195	Waste Removal	30,154
<b>874,960</b>		<b>871,767</b>

## NOTE 3: AUDITOR'S REMUNERATION

Amounts received or due and receivable by the Auditor for:		
40,500	Audit	40,500
2,936	Other Services	2,936
<b>43,436</b>		<b>43,436</b>

## NOTE 4: INCOME TAX EXPENSE

The components of tax expense comprises:

0	Current Tax	0
(8,630)	Deferred Tax	4,799
<b>(8,630)</b>		<b>4,799</b>

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows.

Prima facie tax payable on profit from ordinary activities, after adjusting for the non-taxable components attributed to members, before income tax at 30% (2015: 30%).

191,763	Operating Profit before Tax	410,958
(32,969)	<b>Less:</b> Members' Subscriptions	(37,583)
(160,454)	Direct Members' Income	(171,710)
(308,131)	Non Apportionable Items	(353,445)
<b>(309,791)</b>		<b>(151,780)</b>
1,399,632	<b>Add:</b> Non Allowable, Non Apportionable and Part Apportionable Expenses	1,364,896
<b>1,089,841</b>		<b>1,213,116</b>
627,748	Portion attributable Non Members	678,132
239,566	<b>Add:</b> Non Apportionable Items	248,943
<b>867,314</b>		<b>927,075</b>
(858,281)	<b>Less:</b> Non Apportionable and Part Apportionable Expense	(844,211)
(424,555)	Tax Loss Prior Years	(415,522)
<b>(415,522)</b>	<b>Tax Loss Carried Forward</b>	<b>(332,658)</b>

# MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

## NOTE 4A: DEFERRED TAX ASSET

2015 \$	The amount and nature of the deferred tax asset for the financial year ended 30th June, 2016, is:	2016 \$
<b><u>Deferred tax assets and liabilities for each type of temporary difference</u></b>		
<b>Deferred Tax Assets:</b>		
370,485	Provision for Annual Leave and Sick Leave	379,498
307,571	Provision for Long Service Leave	331,066
46,500	Audit Accrual and Superannuation Creditor	23,461
<b>724,556</b>		<b>734,025</b>
(307,212)	Adjustment for Member Component	(323,705)
<b>417,344</b>		<b>410,320</b>
<b>Deferred Tax Liabilities:</b>		
471,225	Property, Plant and Equipment	444,372
<b>471,225</b>		<b>444,372</b>
(199,799)	Adjustment for Member Component	(195,968)
<b>271,426</b>		<b>248,404</b>
<b><u>Deferred tax amounts recognised in income tax expense</u></b>		
<b>Deferred Tax Assets:</b>		
111,147	Provision for Annual Leave and Sick Leave	113,849
92,271	Provision for Long Service Leave	99,320
13,950	Audit Accrual and Superannuation Creditor	7,038
<b>217,368</b>		<b>220,207</b>
(92,164)	Adjustment for Member Component	(97,111)
<b>125,204</b>		<b>123,096</b>
<b>Deferred Tax Liabilities:</b>		
141,367	Property, Plant and Equipment	133,312
<b>141,367</b>		<b>133,312</b>
(59,940)	Adjustment for Member Component	(58,791)
<b>81,428</b>		<b>74,521</b>
<b>43,776</b>	<b>Net Deferred Tax Asset</b>	<b>48,575</b>

# MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

## NOTE 5: CASH FLOW INFORMATION

2015 \$		2016 \$
	<b>1. Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax:</b>	
183,133	Profit from Ordinary Activities after Income Tax	415,757
	<b>Non-Cash Flows in Operating Profit:</b>	
751,174	Depreciation	806,028
(68,500)	(Profit)/Loss on Sale of Asset	(104,416)
	<b>Changes in Assets and Liabilities:</b>	
(302)	(Increase)/Decrease in Debtors	8,266
7,986	(Increase)/Decrease in Other Assets	(16,025)
8,657	(Increase)/Decrease in Inventories	(28,983)
(24,234)	Increase/(Decrease) in Creditors, Accruals and Tax Liabilities	(24,576)
7,247	Increase/(Decrease) in Provisions	57,323
(1,012)	Increase/(Decrease) in Advance Subscriptions	4,932
<b>864,149</b>		<b>1,118,306</b>

At the date of this report all the mortgages have been discharged and the Club is unencumbered.

## NOTE 6: CASH

120,000	Cash on Hand	120,000
220,350	Cash at Bank – Current Account	280,325
11,967	– TAB Account	16,079
6,413	– Keno Account	10,605
904,382	– 'At Call' Cash Deposit Account	704,911
1,500,000	– Term Deposit	2,005,000
<b>2,763,112</b>		<b>3,136,920</b>

### Reconciliation of Cash:

Cash at the end of the Financial Year as shown in the Statement of Cash Flows is reconciled to items in the **Statement of Financial Position** as follows:

2,763,112	Cash	3,136,920
<b>2,763,112</b>		<b>3,136,920</b>

## NOTE 7: RECEIVABLES

9,858	Trade Debtors	1,592
<b>9,858</b>		<b>1,592</b>

## NOTE 8: INVENTORIES

75,275	Trading Stock – Bar	94,655
42,849	– Dining Room	53,263
8,468	Staff Uniforms	7,658
<b>126,592</b>		<b>155,576</b>

## MERIMBULA RSL CLUB LIMITED

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### NOTE 9: OTHER

		2016 \$
2015 \$		
92,194	Prepayments	103,420
<b>92,194</b>		<b>103,420</b>

### NOTE 10: PROPERTY, PLANT AND EQUIPMENT

		2016 \$
10,803,421	Freehold Land and Improvements at cost 52-54 Main Street, Merimbula	11,007,260
(3,963,901)	<b>Less:</b> Depreciation	(4,225,417)
<b>6,839,520</b>		<b>6,781,843</b>
1,534,849	Freehold Carpark	1,534,849
(41,728)	<b>Less:</b> Depreciation	(57,880)
<b>1,493,121</b>		<b>1,476,969</b>
64,402	Motor Vehicle at cost	64,402
0	<b>Less:</b> Depreciation	(13,230)
<b>64,402</b>		<b>51,172</b>
6,265,252	Plant and Equipment at cost	6,559,375
(4,724,898)	<b>Less:</b> Depreciation	(4,933,731)
<b>1,540,354</b>		<b>1,625,644</b>
<b>9,937,397</b>		<b>9,935,628</b>

#### 1. Movements in Carrying Amounts:

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

Economic Entity:	<i>Freehold Land and Buildings</i>		<i>Plant and Equipment</i>		<i>Total</i>	
	\$'000		\$'000		\$'000	
	2016	2015	2016	2015	2016	2015
Balance at the beginning of year	8,333	8,555	1,604	1,515	9,937	10,070
<b>Add:</b> Additions	204	58	617	560	821	618
<b>Less:</b> Depreciation	(278)	(280)	(528)	(471)	(806)	(751)
Disposals	0	0	(16)	0	(16)	0
<b>Carrying amount at the end of year</b>	<b>8,259</b>	<b>8,333</b>	<b>1,677</b>	<b>1,604</b>	<b>9,936</b>	<b>9,937</b>

2. An independent revaluation of land and buildings was undertaken on 30th June, 2015, by Mr M.E. Rix A.A.P.I. Registered Valuer No. 021440. The revaluation was undertaken as part of a policy to value land and buildings every three years and was based on fair value as part of a going concern basis. The valuation revealed a fair value as a going concern of \$9,600,000.

### NOTE 11: PAYABLES

#### Unsecured Liabilities

		2016 \$
387,662	Creditors – Trade	315,975
<b>387,662</b>		<b>315,975</b>

# MERIMBULA RSL CLUB LIMITED

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## NOTE 12: EMPLOYEE PROVISIONS

2015 \$		2016 \$
662,025	Opening Balance at the beginning of the Financial Year	678,056
354,005	Additional provisions raised during year	370,299
(337,974)	Amount used	(337,790)
<b>678,056</b>	<b>Balance at the finish of the Financial Year</b>	<b>710,565</b>
	<b>Analysis of Total Provisions:</b>	
	<b>(a) Current</b>	
374,185	Annual Leave and Sick Leave Entitlements	392,161
263,052	Long Service Leave Entitlements	275,699
<b>637,237</b>		<b>667,860</b>
	<b>(b) Non-Current</b>	
40,819	Long Service Leave Entitlements	42,705
<b>40,819</b>		<b>42,705</b>

### Employee Provision:

Employee Provisions represent amounts accrued for annual leave, sick leave and long service leave. The current portion for this provision includes the total amount accrued for annual leave entitlements, sick 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 experiences, the company does not expect the full amount of annual leave, sick 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.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

## NOTE 12a: LINK PROVISION

1,227	Link Provision	4,188
<b>1,227</b>		<b>4,188</b>

## NOTE 13: INCOME IN ADVANCE

	<b>(a) Current</b>	
27,019	Members' Fees	29,169
<b>27,019</b>		<b>29,169</b>
	<b>(b) Non Current</b>	
37,403	Members' Fees for future years after 2016/17	34,590
<b>37,403</b>		<b>34,590</b>

# MERIMBULA RSL CLUB LIMITED

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## NOTE 14: CURRENT TAX LIABILITIES

2015 \$		2016 \$
220,245	Goods and Services Tax and Withholding Tax	228,297
63,012	Poker Machine Tax	84,865
<b>283,257</b>		<b>313,162</b>

## NOTE 15: FINANCIAL RISK MANAGEMENT

### (a) Financial Risk Management:

The entity's financial instruments consist mainly of deposits with the banks, accounts receivable and payables. The entity relies on this working capital as its source of funds. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial reports, are as follows:

2015 \$	Financial Assets	Note	2016 \$
238,730	Cash at Bank	6	307,008
2,404,382	Short Term Deposit	6	2,709,912
120,000	Cash on Hand	6	120,000
9,858	Trade Debtors	7	1,592
<b>2,772,970</b>	<b>Total Financial Assets</b>		<b>3,138,512</b>
	<b>Financial Liabilities:</b>		
387,662	Trade Creditors	11	315,975
283,257	Current Tax Liabilities	14	313,162
<b>670,919</b>	<b>Total Financial Liabilities</b>		<b>629,137</b>

## NOTE 16: FAIR VALUE MEASUREMENTS

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

### Recurring fair value measurements:

	Property, Plant and Equipment	
8,333,000	Freehold Land and Improvements	8,259,000
1,604,000	Plant and Equipment	1,677,000
<b>9,937,000</b>		<b>9,936,000</b>

For freehold land and buildings, the fair values are based on a directors' valuation taking into account an external independent valuation performed in the previous year, which used comparable market data for similar properties.

## NOTE 17: RESERVES

43,413	Revaluation Reserve	43,413
292,829	Capital Profit Reserve	292,829
<b>336,242</b>		<b>336,242</b>



## MERIMBULA RSL CLUB LIMITED

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### NOTE 18: MEMBERS' LIABILITY

The number of registered members of the Club as at the 30th June, 2016, is 7,498 (last year 7,332) consisting of 173 Service Members, 7,323 Club Members and 2 Honorary Life Members.

As a Company Limited by Guarantee, every member of the Company has undertaken to contribute an amount not exceeding \$2.00 on the event of the Company being wound up. Such contribution will only be required in the event that assets of the Company are insufficient to meet the payments of the debt and liabilities of the Company at the time of winding up, including the costs, charges and expenses of the winding up. The amount will be payable by all existing members at the time of winding up and those members ceasing membership one year prior to that date.

### NOTE 19: RELATED PARTY TRANSACTIONS

(a) **Directors:**

The names of persons who were directors of the company at any time during the year are:

Mr Allan F. Browning, Mr Philip J. Cheek, Mr David J. Crawford, Mr John F. Finn,  
Mr Alan J. Johnson, Mr David J. Rankin and Mr Graeme N. Williams.

(b) **Director Remuneration:**

The directors did not receive any remuneration from the company during the year other than any approved honorarium and reimbursement of out of pocket expenses that have been fully substantiated except for Mr David Rankin who received benefits for the provision of Accounting Services.

(c) **Transactions with directors and director related entities:**

There were no transactions with directors, other than those at normal commercial terms and conditions, and other benefits approved by the members at the annual general meeting.

(d) **Other transactions with related parties:**

There were no other transactions with related parties.

### NOTE 20: KEY MANAGEMENT PERSONNEL

The Company is run by the Board of Directors. All major business decisions are made by the Board. The day to day business of the Company is run by the employees of the Company. As all major business decisions are made by the Board, no key management personnel disclosure are deemed appropriate.

### NOTE 21: CAPITAL MANAGEMENT

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its mentoring programs and that returns from investments are maximised within tolerable risk parameters. The finance committee ensures that the overall risk management strategy is in line with this objective.

The finance committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The entity's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year. The strategy of the entity is to maintain a gearing ratio below 10%.

At the years ending 30th June, 2015 and 30th June, 2016 there was no net debt.

## MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

### NOTE 22: STATEMENT OF OPERATIONS BY SEGMENTS

The company operates in the Licensed Registered Clubs' sector within New South Wales.

### NOTE 23: COMPANY DETAILS

The registered office of the company is:

Merimbula RSL Club Limited, 52-54 Main Street, MERIMBULA NSW 2548

Unlisted Company Limited by Guarantee.

### NOTE 24: DISPOSAL OF CLUB PROPERTY – CORE OR NON CORE

That pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 30th June, 2016:

- (a) The following properties are core property of the Club:
- (i) 52-54 Main Street
  - (ii) Carpark corner Alice and Main Street
- (b) The following properties are non-core property of the Club:
- Nil
- (i) Section 41J(2) of the Registered Clubs Act requires the Financial Report to specify the core property and non core property of the Club as at the end of the financial year to which the report relates.
- (ii) Core property is any real property owned or occupied by the Club that comprises
- (a) the defined premises of the Club; or
  - (b) any facility provided by the Club for use of its members and their guests; or
  - (c) any other property declared by a resolution passed by a majority of the members present at a general meeting of Ordinary members of the Club to be core property of the Club.
- (iii) Non-core property is any other property other than that referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the Club not to be core property.
- (iv) The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
- (a) the property has been valued by a registered valuer within the meaning of the Valuers Act 2003; and
  - (b) the disposal has been approved at a general meeting of the ordinary members of the Club at which the majority of the votes cast support the approval;
  - (c) any sale is by way of public auction or open tender conducted by any independent real estate agent or auctioneer.
- (v) These disposal provisions and what constitutes a disposal for the purpose of section 41J are to some extent modified by regulation made under the Registered Clubs Act and by section 41J itself. For example, the requirements in paragraph 4 above do not apply to:
- Core property that is being leased or licensed for a period not exceeding 10 years on terms that have been the subject of a valuation by a registered valuer; Core property that is leased or licensed to a telecommunications provider for the purpose of a telecommunication tower.

# MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

## INDEPENDENT AUDITOR'S REPORT

To the Members of the Merimbula RSL Club Ltd.

### Report on the Financial Report:

We have audited the accompanying financial report of the Merimbula RSL Club Limited (the company), which comprises the statement of financial position as at 30th June, 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow 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 financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility:

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report. We have not audited detailed classification of income and expenses by function because of the arbitrary dissection process.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. However, our statutory audit does not cover all details of dissection of financial data.

### Independence:

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

### Auditor's Opinion:

In our opinion, the financial report of the Merimbula RSL Club Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Company's financial position as at the 30th June, 2016, and of its performance for the year ended on that date; and
- (b) complying with the Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

**Richard C.Parbery FCPA**

Registered Company Auditor (1864)

101 Main Street  
Merimbula, NSW 2548  
24th August, 2016

# MERIMBULA RSL CLUB LIMITED

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## DONATIONS

For the year ended 30th June, 2016

Alzheimers Australia	Merimbula Diggers Football Club
Austism Australia	Merimbula Gift
Bandara Children's Services	Merimbula Grasshoppers Soccer Club
Bega Country Women's Association	Merimbula Jazz Festival
Bega District Volunteer Rescue	Merimbula Public School
Bega First Scouts	Merimbula RSL Sub Branch
Bega Men's Shed Inc	Merimbula Tennis Club
Bega Valley Genealogy Society	Merimbula Tourism
Bega Valley Shire Council	Merimbula/Pambula Junior Bulldogs
Bega Valley Suicide Prevention	Merimbula/Pambula Senior Bulldogs
Bemboka Light Horse Brigade	Marine Rescue Bermagui
Bermagui Senior Citizen's Club	Old Bega Hospital Reserve Trust
Bowelcare Australia	Panorama RSL Day Club
Defence Care	Police Citizen's Youth Club
Eden Community Access Centre Inc	Reaching Out Foundation
Eden Public School	Road Safety Education
Finn Sinclair	Rotary Club of Pambula
Imlay House Nursing Home	Sapphire Coast Football League
Lara Jean Association	Sapphire Coast Netball Club
Life Education NSW	Sapphire Coast Turf Club
Lions Club of Pambula/Merimbula	Sapphire Mobile Preschool
Mallacoota Preschool Fun Run	Sculpture on the Edge
Marine Rescue Merimbula	St Vincent De Paul Bega
Men of League	St Vincent De Paul Merimbula
Men's Shed Merimbula	Wyndham Primary School P&C
Merimbula B.G&L.A Club	
Merimbula Basketball Association	<b>Total: \$82,321</b>



**MERIMBULA**  
**RSL CLUB**

*...something for everyone*

**52-54 Main Street • T (02) 6495 1502**  
**[www.merimbularsl.com.au](http://www.merimbularsl.com.au)**