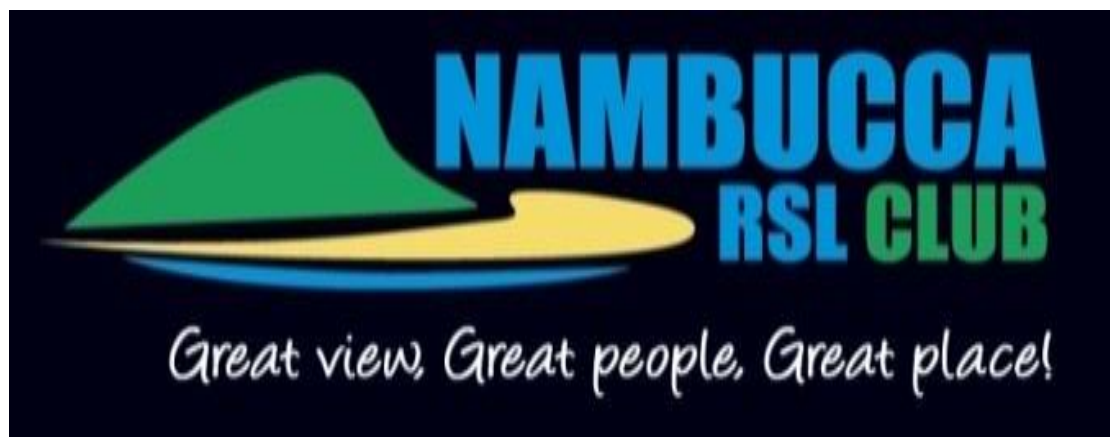


Nambucca Heads RSL Club Limited

ABN 36 000 962 185



# 63rd ANNUAL REPORT

YEAR ENDED 30<sup>th</sup> JUNE, 2014

## BOARD OF DIRECTORS 2013 - 2015

### President:

Brian Duncan

### Board:

Louis Barnes  
William Gemmell  
Bill Henderson  
Terrie Hyslop  
Jayne Poole  
Donald Seward  
Robert Sheaves  
Ray Stevens  
William ( Mick ) Winter

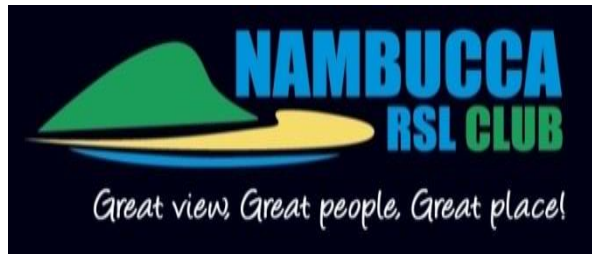
### Life Members:

Robert ( Bob ) Provost [ Deceased ]  
C S Williams [ Deceased ]  
H J Davison [ Deceased ]  
Allan Evans [ Deceased ]  
Noel Hamblion [ Deceased ]  
Kevin Curran [ Deceased ]  
William ( Bill ) Larkey  
Thelma ( Joyce ) Cummings

## MEMBERSHIP

The Company is limited by guarantee and is without share capital. The number of members at the 30<sup>th</sup> June, 2014 with previous year's comparison is as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Life	2	3	3	2	2	3	3
Ordinary A	370	404	424	457	483	527	544
Ordinary B	<u>4,713</u>	<u>4,286</u>	<u>3,684</u>	<u>3,546</u>	<u>3,628</u>	<u>3,800</u>	<u>3,921</u>
	<u>5,085</u>	<u>4,693</u>	<u>4,111</u>	<u>4,005</u>	<u>4,113</u>	<u>4,330</u>	<u>4,468</u>



## **NOTICE OF MEETING**

Notice is hereby given that the 63rd Annual General Meeting of the Nambucca Heads R.S.L. Club Limited shall be held in the Club Rooms of the Club, at Nelson Street, Nambucca Heads, on Sunday, 30th November, 2014 at 9:30am.

**Please note** : Doors will be closed promptly at 9:30am

To assist members who have any queries on any aspect of the Annual Report, please write or email to [peter.brewis@nambuccarsl.com.au](mailto:peter.brewis@nambuccarsl.com.au) to arrive by Friday, 14 November, 2014. All genuine enquiries will be answered either before or at our Annual General Meeting.

### *Dedication*

Nambucca Heads RSL Club shares together with the Sub-Branch a dedication to the memory of the Men and Women of Australia's Armed Services who laid down their lives endeavouring to ensure an enduring Peace among the Peoples of the World.

*May they not have died in vain.*

## **MEETING AGENDA**

1. To confirm the Minutes of previous Annual General Meeting held on Sunday, 24th November, 2013.
2. To receive and adopt the Financial Statements for the year ended 30<sup>th</sup> June, 2014 and the Reports of the Directors and Auditors thereon.
3. To receive and adopt the following reports:-
  - ( a ) President's Report
  - ( b ) Secretary Manager's Report.
  - ( c ) Sub-Branch Committee Report
4. Notice is hereby given that at this Meeting of the Nambucca Heads R.S.L. Club Limited Members will be asked to consider and if thought fit, pass the following resolution which is proposed as a Special Resolution.

### **'Special Resolution'**

That the Constitution of Nambucca Heads R.S.L. Club Limited in the form presented to the Meeting and initialled by the Chairman of the Meeting be adopted as the Constitution of the Club in substitution for and to the exclusion of the Club's existing Constitution of Nambucca Heads R.S.L. Club Ltd.

### **Explanatory Message to Members regarding the Special Resolution – new Constitution**

Since the Club's current Constitution was approved of by members on 24<sup>th</sup> November 2002 there have been a few significant amendments to the relevant legislation which governs registered clubs.

The major objectives of the proposed new Constitution are:

- to include amendments brought about by changes to the Corporation's Act 2001 as amended, Registered Clubs Act 1976 as amended and Registered Club's Regulation 2009 as amended.
- to generally update and simplify the language and layout of the Constitution in line with contemporary practice.

### **Examples of the legislative changes carried forward into this proposed Constitution are outlined below:**

#### **Board R9.2.1; R9.2.2; R9.2.3 and R9.2.4**

The Registered Club's Act requires that the Board be comprised of not more than 9 directors with effect on and from 01 July 2016.

Furthermore the Registered Club's Amendment (Governing Body) Regulation 2013 which commenced on 01 December 2013 provides that the Board may itself appoint 2 persons to serve as directors of the Club.

The Board has resolved to recommend to you the members that whilst the Board may on and from the conclusion of the 2015 AGM be reduced from a current maximum of 10 to 9 that of those a maximum of 7 be appointed by you the members and that it have the authority to appoint an additional 2 directors on conditions stipulated in that Regulation and restated in R9.2.4.

#### **Annual Financial Reporting to Members R12.6.1**

Each year the Club is required to communicate information to its members, including annual reports, notices of meetings and other advice.

The Corporations Act gives the club the ability to make the annual reports available on its website and provide a hard copy of those reports only to those members who elect to receive them in that form.

#### **Notices and Deemed Receipt of Notice R16.1 and R16.2**

For some years now the Club has offered members the opportunity to receive general member communications electronically whilst at the same time publishing them on its website and on the Club notice board.

Whilst the Club's communications to members will continue to be made in these ways the Board and Management believe that everyone benefits from electronic communications:

## Nambucca Heads RSL Club Limited

ABN 36 000 962 185

- members receive prompt information, and
- have the convenience and security of electronic delivery, and
- there are significant cost savings, and
- the Club's communications are environmentally friendly.

Any member who has not provided the Club with a current electronic address at which to receive the Club's member communications or notice of their availability should do so without delay.

The main effect of this proposed change is to reduce, for the reasons stated, the incidence where the Club may need to mail or hand delivers a member communication.

Another effect will be to provide a deemed time of receipt of a member communication where it is made by any one or more of those means provided for.

### **Other proposed changes to the existing Constitution include the following:**

#### **Objects R1.5**

To specifically further the objects of The Returned & Services League of Australia Limited.

#### **Admission To Membership R6.12.3**

To provide more flexibility as to the means of documenting evidence of identity of an applicant for membership.

**A full copy of the proposed new Constitution is available for inspection by any member at the Office of the Club on request.**

This Explanatory Message is not to be taken in any way as affecting the wording of the proposed new Constitution but is provided to inform members of what is proposed and to draw attention to matters which could be of particular interest to members. The Board acknowledges that there are probably specific matters in the proposed new Constitution which will be of interest to members but rather than trying to anticipate all of these matters the Board invites you to peruse the proposed new Constitution. If you have questions or concerns please direct these to the Secretary Manager (if possible prior to the Meeting).

#### **Note to Members regarding the Special Resolution**

To be passed the above Special Resolution must receive votes in its favour from not less than three-quarters of the members (being entitled to vote) who vote in person at the Meeting.

As a result of the Special Resolutions provisions of the Corporations Act, the Special Resolution must be considered as a whole and cannot be altered by motions from the floor of the Meeting.

The Board strongly recommends to the Meeting the adoption of the proposed new Constitution.

5. Approval of President and Directors expenses:-  
( a ) For the Purpose of the Registered Clubs Act: to consider and if thought fit pass the following Ordinary Resolution:

#### **Resolution**

That the Board of Nambucca Heads RSL Club Limited be granted an Annual Honorarium as follows:-

President	\$ 5,500
Directors	\$ 2,000 each

This Honorarium to be payable by calendar monthly instalments in arrears commencing on the first day of January each year.

( b ) The Members acknowledge that the benefits in Paragraph (a) above are not available to Members generally, but only for those Directors of the Club.

6. For the Purpose of the Registered Clubs Act: to consider and if thought fit pass the following Ordinary Resolution:

#### **Resolution**

## Nambucca Heads RSL Club Limited

ABN 36 000 962 185

- ( a ) The Members hereby approve expenditure by the Club in a sum not exceeding \$ 13,000 for the professional development and education of Directors over the following twelve ( 12 ) months, including:
- i) The reasonable cost of Directors attending the ClubsNSW Association Annual General Meeting.
  - ii) The reasonable cost of Directors attending Meetings of other Associations of which the Club is a member.
  - iii) The reasonable cost of Directors attending Seminars, Lectures and Trade Displays, Organised Study Tours, Fact Finding Tours and other similar events as may be determined by the Board from time to time.
  - iv) The reasonable costs of Directors attending other Clubs for the purpose of observing their facilities and methods of operation.
- ( b ) The Members acknowledge that the benefits in Paragraph ( a ) above are not available to Members generally, but only for those Directors of the Club.
- ( b ) The Members acknowledge that the benefits in Paragraph (a) above are not available to Members generally, but only for those Directors of the Club.
7. For the Purpose of the Registered Clubs Act: to consider and if thought fit pass the following Ordinary Resolution:
- ‘ Resolution ‘**
- ( a ) The Members hereby approve expenditure by the Club in a sum not exceeding \$ 31,000 over the following twelve months for the following expenses subject to approval by the Board of Directors.
- i) Expenses involved in subsidies of Intra Clubs, ANZAC Day, Children’s Christmas Party, Voluntary Workers Dinner, Presentations to Members or other persons acknowledging services deemed by the Directors as being of benefit to the Club and sponsorship of sporting events and sports persons deemed by the Directors to be of benefit to the Club and/or the community.
  - ii) The reasonable cost of a meal and beverage for each Director before or after a Board or Committee Meeting on the day of that Meeting when this Meeting coincides with a normal meal time.
  - iii) Reasonable expenses incurred by Directors either within the Club or elsewhere in relation to such other duties including entertainment of special guests of the Club and other professional activities approved by the Board on production of documentary evidence of such evidence.
  - iv) Attendance at functions with spouses where appropriate and required to represent the Club including the Annual General Meeting of the ClubsNSW Association.
  - v) The provision of blazers and associated apparel for the use of the Club Directors when representing the Club.
  - vi) President’s Entertainment Expenses.
- ( b ) The Members acknowledge that the benefits in Paragraph ( a ) above are not available to Members generally, but only for those Directors of the Club and those Members directly involved in the above activities.
8. For the Purpose of the Registered Clubs Act: to consider and if thought fit pass the following Ordinary Resolution:
- ‘ Resolution ‘**
- (a) That the Club make provision for car parking spaces adjacent to the Club for use by the President, Secretary/Manager, Sub Branch President and Sub Branch Hon. Secretary.
- ( b ) The Members acknowledge that the benefits in Paragraph ( a ) above are not available to Members generally, but only for those mentioned above.
9. Auditor : The Auditors, Hooykaas Lawry Valjan, continue in office in accordance with the provisions in the Corporations Law.
10. Life Membership nomination.
11. Permission may be granted by the Chairman to bring up for discussion any matter that is handed to him in writing before the commencement of the Meeting.

**P R BREWIS, ACCM  
SECRETARY MANAGER**

## **Nambucca Heads RSL Club Limited**

ABN 36 000 962 185

### **PRESIDENT'S REPORT**

Once again I present my report to you being my 15<sup>th</sup> report to the members of this great Club. During this period the Club has experienced a lot of highs and lows with this year hopefully being a turning point for the Club industry at large. It is hoped that our Club can also look to the future and see continued growth and support from its members.

Although the Club posted a loss this year I have every confidence that the Club will continue to make sure that expenses are monitored, efficiencies increased and trade stimulated.

To my Secretary Manager Peter Brewis, Secretary Chris Bell, Assistant Manager Wendy Mills and Accountant Carlie Thorman. A big thank you. All have worked tirelessly and have been the absolute backbone in getting the Club back on track through some difficult times. I thank them on behalf of the Board for a job well done.

I also extend congratulations to all staff and their respective trading areas of the Club. Special mention needs to go to our newest area, Liquor Legends. To Dean & Tracey, well done in striving to achieve the status of being the number 1 Liquor Legends outlet in Australia.

#### **Sub-Branch**

To President Bill Shepherd, Secretary John Kent, Treasurer Perry Eastwood and Committee of the R&SL Sub-Branch, congratulations on another successful year. You are all to be commended for the services you provide to your members.

Once again, ANZAC & Remembrance Days were well supported along with Vietnam Veterans Day service and luncheon, hosted this year at Nambucca RSL Club.

#### **Women's Auxiliary**

To the ladies of the R&SL Women's Auxiliary, thank you for another outstanding year of support. Your efforts every ANZAC Day & Remembrance Day are greatly appreciated. The involvement you have throughout the year in many projects is a credit to all members. Once again, thank you.

#### **Sporting Sub-Clubs**

An important part of club culture is our Sub Clubs. To all those members who have participated both home and away, I congratulate you on your wins, and I thank your committees for their time and effort. You are an important part of the Club and my congratulation goes to all involved. Keep up the good work.

#### **Vale**

To those members who lost loved ones during the year, I offer my sympathy and condolences from Management, Staff, Directors and myself.

The Board continues to support local projects, charities and people needing assistance and hope that this continues in the future. A full list of the charities and people the Club has helped throughout the year is on page 28 of this report.

As you will see, we are asking the Members to vote on a new constitution. The last update was in 2002 and as there have been many changes to the Corporation's Act 2001, Registered Clubs Act 1976 and Registered Club's Regulation 2009, the Constitution has been re-written under the guidance of the Clubs Solicitor, MBT. The Board strongly recommends to its members to adopt the new Constitution.

In closing I would like to thank you the Members as your continued support is always valued. We have a wonderful facility and I hope you continue to support it.

**BRIAN DUNCAN**  
**PRESIDENT**

## **SECRETARY MANAGER'S REPORT**

The 2013-2014 financial year saw significant improvement across all trading areas with strong patronage of the club throughout most of the year.

The Financial Reports will show a Loss of \$ 149,848. When comparing this to last year's results it should be noted that \$ 1,170,674 as "Gain on disposal of assets" was achieved from the sale of the Motel Miramar and that the actual Operational Loss was \$ 506,742.

In highlighting some of the operational trading departments, the following information may be of interest;

- Gaming Machine Revenues increased by \$ 49,567 or +1.6% over the previous period
- Bar Revenues increased by \$ 47,654 or +4.9%
- Catering increased by \$ 67,045 or +5.6%
- Bottleshop (Liquor Legends) increased by \$ 366,008 or +42.9%
- Finance Costs decreased by \$ 116,414 or -34.9%

I would like to recognise the outstanding efforts of all our staff members ranging from Bar, Catering, Bottleshop, Cellar & Maintenance, Cleaning, Administration and Management. My thanks go to you all for another great year and a job well done.

The Board of Directors should be commended for the time and effort that they put in to the Strategic Direction of the Club. They willingly give their time for the betterment of the Club and its members. The financial results this year stand as testament to their commitment to the ongoing viability of the Club.

The continued success of the Club is always dependent upon the support of our members who we frequently see enjoying our great facilities. I would like to extend a thank you to all of our members for contributing to the success of the Nambucca Heads RSL Club.

**PETER BREWIS, ACCM**  
**SECRETARY MANAGER**  
**Nambucca Heads RSL Club**  
**P: 02 6568 6288**  
**E: peter.brewis@nambuccarsl.com.au**



## **Nambucca Heads RSL Club Limited**

ABN 36 000 962 185

### **R&SL SUB-BRANCH REPORT**

This past year has seen continued improvement on all fronts.

The ANZAC Day Dawn Service was a great success with a similar crowd to 2013. Estimates range in excess of 800. It seems that the annual trend is for increased attendance caused most likely from a greater public awareness and the fact that we have soldiers serving overseas who deserve this demonstration of support and respect. In addition the Sub Branch has played a key part in the preparations for the ANZAC 2015 Commemoration to be held at Bowraville.

This year has seen a number of our members pass on and our numbers are dwindling. It is hoped that increasing liaison between the sub branch and our local schools will continue to encourage our youth to take up the torch. The participation by all our schools in all our commemoration activities this year has been pleasing. It was also very pleasing to see several young members of our current ADF present on these days.

ANZAC day however would not have been as successful had it not been for our hard working Women's Auxiliary and Toni who again provided a wonderful hot breakfast and also the Nambucca Heads RSL Club who's generous donation made the event one that the community can be justly proud.

The other annual Sub Branch sponsored event was Remembrance Day. Again this activity was well supported and the day was a success. This year we hosted the other Sub Branches in the valley for Vietnam Veterans Day and the Nambucca Heads RSL Sub Branch was strongly represented. It was very well attended and from comments received was highly successful.

Membership of the Sub Branch is growing slowly and our attendance varies at monthly meetings. It is important that we continue in attempting to modernise our cenotaph and club memorabilia to include all conflicts past and present. It is important that young ADF personnel feel that they are welcome and their contributions are valued.

The R & SL Women's Auxiliary continues to do its fine work under the guiding hand of their executive. Their fundraising activities are warmly welcomed by the recipients of their donations. Maureen has been attending sub branch meetings to brief sub branch members on all things "Women's Auxiliary" and this has had a positive influence. It has been a pleasure to combine with the auxiliary ladies to sell our badges twice a year and the sub branch members have gained a better understanding of how our funds are raised and the effort required to do so.

Our welfare and pension officers have been exceptionally busy over the period and numerous ex-service families have benefited from their efforts. The requirement to keep and submit a record of volunteer hours worked has shown just how many hours this hard working group of people complete. Without this volunteer effort our services would not be the success that they are.

The RSL Day Club continues to function efficiently with Bill, Catherine, Nancy, Shirley and their helpers. Theirs' is an extremely important contribution to our community and has been given further support by the Sub Branch and the Women's Auxiliary. The feedback from clients who attend this activity is outstanding and I have encouraged Bill to come to our meetings to brief our members.

The sub branch continues to be the patron for the Nambucca Heads Men's Shed and we have been successful in assisting them to gain a number of significant grants over the reporting period.

In closing I am able to report that we have a strong and robust R & SL Sub Branch. Its strength remains with those who give their time and skills to assist where needed. There are far too many to list but to all a hearty thank you from myself, the Sub Branch and the community you serve.

**BILL SHEPHERD**  
**PRESIDENT**  
**R&SL SUB-BRANCH, NAMBUCCA HEADS**

# Nambucca Heads RSL Club Limited

ABN 36 000 962 185

## DIRECTORS' REPORT

Your directors present their report on Nambucca Heads RSL Club Limited for the financial year ended 30 June 2014.

### 1. General information

#### Information on directors

William B. Duncan

Qualifications	Retired
Experience	Previous Director and Previous President of an RSL Sub Branch
Special responsibilities	President / Director

Ray Stevens

Qualifications	Retired
Experience	Previous Director
Special responsibilities	Deputy President/ Sports Director

Bill Henderson

Qualifications	Retired
Experience	Previous Director
Special responsibilities	Vice President / Director

Patricia Byleveld  
(Not re-elected 24/11/13)

Qualifications	Retired
Experience	Previous Director
Special responsibilities	Director/ Bullying & Harassment Situations

Henry Dowse  
(Not re-elected on 24/11/13)

Qualifications	Retired
Experience	Previous Director
Special responsibilities	Director

Louis Barnes

Qualifications	Retired
Experience	Previous Director
Special responsibilities	Director/ Sports Council

Robert Sheaves

Qualifications	Retired
Experience	Previous Director
Special responsibilities	Director

Donald Seward

Qualifications	Retired
Experience	Previous Director
Special responsibilities	Director

*William Winter*

Qualifications	Retired
Experience	Previous Director
Special responsibilities	Director

# Nambucca Heads RSL Club Limited

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Terrie Hyslop  
(Elected 24/11/13)

Qualifications	Interior Decorator
Special responsibilities	Director

Jayne Poole  
(Elected 24/11/13)

Qualifications	Home Duties
Special responsibilities	Director / Bullying & Harassment Situations

William Gemmell  
(Elected 24/11/13)

Qualifications	Retired
Special responsibilities	Director

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 activity of Nambucca Heads RSL Club Limited during the financial year were the conduct of a Registered Licensed Club, the provision of reasonably priced food and beverages, entertainment, responsible approved gaming including TAB, Keno and poker machines and the provision of meeting venues as required.

No significant changes in the nature of the entity's activity occurred during the financial year.

The Nambucca Heads RSL Club plays an important role in honouring present and returned servicemen and servicewomen.

## Short term objectives

The company's short term objectives are to:

- Provide entertainment, food and beverages for the community at reasonable prices.
- Encourage new membership
- Derive income to support local sporting groups and charitable organisations.
- Improve profitability and efficiency of Club operations.

## Long term objectives

The company's long term objectives are to:

- Maintain the ethics and tradition of the RSL and continue to provide a place for Returned Servicemen and Women to meet
- Maintain financial stability of the Club.
- Repay the debt incurred in modernising the Club's premises.
- Ensure facilities continue to cater for members' needs.

## Strategy for achieving the objectives

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

- Provide best possible facilities to members.
- Provide entertainment and activities to attract patronage to the Club.
- Offer high quality, low priced meals and reasonably priced beverages.
- Annual development of a financial budget and monthly monitoring of financial performance to ensure the Club operates within its financial capabilities.

## Performance measures

The following measures are used within the company to monitor performance:

- Monitoring performance by comparing actual results to past performance and budget forecasts.

## Nambucca Heads RSL Club Limited

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- Reviewing key performance indicators such as gross profit margins, wages to turnover ratios, net returns from trading and average return per poker machine.

### Members guarantee

Nambucca Heads RSL Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 2, subject to the provisions of the company's constitution.

At 30 June 2014 the collective liability of members was \$ 10,170 (2013: \$ 9,386).

### Meeting of Directors

During the financial year, 14 meeting of directors ( including committees of directors ) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Membership Approval Meetings		Sports Council Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
William B. Duncan	14	14	45	45	-	-
Ray Stevens	14	13	45	45	10	4
Bill Henderson	14	12	-	-	-	-
Patricia Byleveld (Not re-elected 24/11/13)	6	5	19	19	-	-
Henry Dowse (Not re-elected on 24/11/13)	6	6	-	-	-	-
Louis Barnes	14	13	45	45	10	6
Robert Sheaves	14	14	-	-	-	-
Donald Seward	14	14	-	-	-	-
William Winter	14	14	-	-	-	-
Terrie Hyslop (Elected 24/11/13)	8	7	26	23	-	-
Jayne Poole (Elected 24/11/13)	8	7	-	-	-	-
William Gemmell (Elected 24/11/13)	8	8	-	-	-	-

# Nambucca Heads RSL Club Limited

ABN 36 000 962 185

## DIRECTORS' REPORT

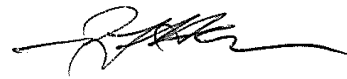
### Auditor's Independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June, 2014 has been received and can be found on page 11 of the financial report.

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



Director: William Brian Duncan



Director : William John Henderson

Dated : 25 September, 2014



## AUDITORS INDEPENDENCE DECLARATION under Section 307C of the Corporations Act 2001 to the Directors of Nambucca Heads RSL Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014, there have been:

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

Hooykaas Lawry Valjan



Aart Hooykaas  
Partner

Nambucca Heads, 25 September 2014

#### HOOYKAAS LAWRY VALJAN

ABN 56 764 761 064  
www.hlv.com.au

#### PARTNERS

Aart Hooykaas CA FCA  
Peter Lawry FCA FCA  
Peter Valjan BFA JP CA

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**Nambucca Heads RSL Club Limited**

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**STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**For the Year Ended 30<sup>th</sup> June 2014

	2014	2013
Note	\$	\$
<b>INCOME</b>		
Poker Machine Revenue	3,058,274	3,008,707
Bar Sales	1,013,812	966,158
Catering Revenue	1,246,328	1,179,283
Bottle Shop Revenue	1,218,133	852,125
Keno Revenue	96,325	82,930
Commissions	40,113	40,754
Entertainment & Promotions	190,728	162,125
Member Subscriptions	20,993	19,226
Sub-club Revenue	20,170	19,185
Rental income	33,599	168,769
Interest	4,116	892
Gain on disposal of assets	-	1,170,674
Other income	60,927	62,156
<b>TOTAL INCOME</b>	<b>7,003,518</b>	<b>7,732,984</b>
<b>EXPENSES</b>		
Cost of Sales	(1,840,072)	(1,507,154)
Employee benefits expense	(2,233,842)	(2,318,843)
Depreciation & Amortisation Expense	(522,550)	(520,564)
Impairment of Poker Machine Entitlements	6 -	(26,667)
Repairs & Maintenance	(204,061)	(256,593)
Entertainment & Promotions	(502,479)	(481,064)
Poker Machine Tax	(505,085)	(496,880)
Loss on Disposal of Assets	(16,245)	(25,855)
Finance costs	(216,614)	(333,028)
Other operating expenses	(1,112,418)	(1,102,406)
<b>TOTAL EXPENSES</b>	<b>(7,153,366)</b>	<b>(7,069,054)</b>
<b>Profit / ( Loss ) before income tax</b>	<b>(149,848)</b>	663,930
Income tax expense	1(j) -	-
<b>Profit / ( Loss ) for the year</b>	<b>(149,848)</b>	663,930
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<b>(149,848)</b>	663,930

The accompanying notes for part of these financial statements.

**Nambucca Heads RSL Club Limited**

ABN 36 000 962 185

**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2014

	Note	2014 \$	2013 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	<b>396,375</b>	381,346
Trade and other receivables	3	<b>47,657</b>	39,810
Inventories	4	<b>124,936</b>	144,370
Other assets	7	<b>21,116</b>	35,547
<b>TOTAL CURRENT ASSETS</b>		<b>590,084</b>	601,073
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	<b>6,821,198</b>	7,012,563
Intangible assets	6	<b>8,334</b>	83,334
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,829,532</b>	7,095,897
<b>TOTAL ASSETS</b>		<b>7,419,616</b>	7,696,970
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade payables	8	<b>937,000</b>	1,155,636
Borrowings	9	<b>155,188</b>	2,605,750
Short-term provisions	10	<b>4,524</b>	11,912
Employee benefits	11	<b>94,080</b>	97,376
Other liabilities		<b>6,361</b>	6,941
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,197,153</b>	3,877,615
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	9	<b>2,644,316</b>	93,008
Employee benefits	11	<b>72,805</b>	71,157
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,717,121</b>	164,165
<b>TOTAL LIABILITIES</b>		<b>3,914,274</b>	4,041,780
<b>NET ASSETS</b>		<b>3,505,342</b>	3,655,190
<b>EQUITY</b>			
Retained earnings		<b>3,505,342</b>	3,655,190
<b>TOTAL EQUITY</b>		<b>3,505,342</b>	3,655,190

The accompanying notes for part of these financial statements.

**Nambucca Heads RSL Club Limited**

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**STATEMENT OF CHANGES IN EQUITY**

For the Year Ended 30 June 2014

2014

	Retained Earnings	Total
Note	\$	\$
<b>Balance at 1 July 2013</b>	<b>3,655,190</b>	<b>3,655,190</b>
Profit / (Loss) for the year	<b>(149,848)</b>	<b>(149,848)</b>
<b>Balance at 30 June 2014</b>	<b>3,505,342</b>	<b>3,505,342</b>

2013

	Retained Earnings	Total
Note	\$	\$
<b>Balance at 1 July 2012</b>	<b>2,991,258</b>	<b>2,991,258</b>
Profit / (Loss) for the year	<b>663,932</b>	<b>663,932</b>
<b>Balance at 30 June 2013</b>	<b>3,655,190</b>	<b>3,655,190</b>

**STATEMENT OF CASH FLOWS**For the Year Ended 30<sup>th</sup> June 2014

	2014	2013
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	<b>7,704,228</b>	7,187,960
Payments to suppliers and employees	<b>(7,309,383)</b>	(6,731,263)
Interest received	<b>4,116</b>	892
Finance costs	<b>(216,614)</b>	(333,028)
Net cash provided by (used in) operating activities	<b>182,347</b>	124,561
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of property	<b>75,000</b>	1,745,621
Purchase of property, plant and equipment	<b>(126,396)</b>	(211,267)
Net cash used by investing activities	<b>(51,396)</b>	1,534,354
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	<b>36,003</b>	-
Repayment of borrowings	<b>(151,925)</b>	(1,640,930)
Net cash used by financing activities	<b>(115,922)</b>	(1,640,930)
Net increase (decrease) in cash and cash equivalents held	<b>15,029</b>	17,985
Cash and cash equivalents at beginning of year	<b>381,346</b>	363,361
Cash and cash equivalents at end of financial year	<b>396,375</b>	381,346

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The accompanying notes for part of these financial statements.



# Nambucca Heads RSL Club Limited

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## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30<sup>th</sup> June 2014

The financial statements are for Nambucca Heads RSL Club Limited as a not-for-profit individual entity.

### 1 Summary of Significant Accounting Policies

#### (a) Basis of preparation

The financial statements are a general purpose financial statements that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

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 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.

#### (b) Comparative figures

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

#### (c) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts.

#### (d) Property, plant and equipment

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

##### Property

Land and buildings are measured at cost less accumulated depreciation and impairment losses.

##### Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

##### Depreciation

The depreciable amount of plant and equipment is depreciated on a reducing balance basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Buildings are shown at cost and depreciated using the straight line method over periods from 10 to 50 years. Land is not depreciated.

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2% - 10%
Plant and Equipment	7.5% - 50%
Leased plant and equipment	15% - 33%
Leasehold improvements	4% - 10%

## Nambucca Heads RSL Club Limited

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The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

### (e) Financial instruments

#### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

#### Classification and subsequent measurement

Financial instruments are subsequently measured at either 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 in an arm's length transaction. 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:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (d) less any reduction for impairment.

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

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated 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.

#### (i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

## Nambucca Heads RSL Club Limited

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Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

### *(ii) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

### **Fair value**

### **Impairment**

Objective evidence that a financial asset is impaired includes default by a debtor, evidence that the debtor is likely to enter bankruptcy or adverse economic conditions in the stock exchange. At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired through the occurrence of a loss event. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to indicate that an impairment has arisen.

Where a subsequent event causes the amount of the impairment loss to decrease (e.g. payment received), the reduction in the allowance account (provision for impairment of receivables) is taken through profit and loss.

However, any reversal in the value of an impaired available for sale asset is taken through other comprehensive income rather than profit and loss.

Impairment losses are recognised through an allowance account for loans and receivables in the statement of profit or loss and other comprehensive income.

### **Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability 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.

When available-for-sale investments are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

### **(f) Impairment of non-financial assets**

At the end of each reporting year, 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. Value in use is either the discounted cash flows relating to the asset or depreciated replacement cost if the criteria in AASB 136 'Impairment of Assets' are met. 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.

### **(g) 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 which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

## **Nambucca Heads RSL Club Limited**

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### **(h) Employee benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting year. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

### **(i) Trade and other payables**

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

### **(j) Income tax**

Income Tax is not levied in the operations of the Club as they pertain to members, only as regards activities concerning visitors. Therefore, normal company rates of tax are not based on the operating surplus for the year, but on the proportion applicable visitors, based on the principle of mutuality. As at the balance date, the club has carried forward income tax losses of \$113,351. Although the club may trade profitably in future years, after applying the principle of mutuality for taxation purposes, the probability of absorbing the entire balance of carry forward income tax losses is considered to be very low. Therefore, in accordance with accounting standards, no deferred tax asset has been recognised as there is no certainty that the taxation losses will provide an economic benefit in the future.

### **(k) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of 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.

### **(l) Revenue and other income**

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 Nambucca Heads RSL Club Limited's activities as discussed below.

#### **Sale of goods**

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

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## Interest revenue

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

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

## Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

All revenue is stated net of the amount of goods and services tax (GST).

## (m) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian 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 in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

## (n) Critical accounting estimates and judgments

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

## (o) Adoption of new and revised accounting standards

During the current year, the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of Nambucca Heads RSL Club Limited.

Standard Name	Impact
AASB 124 Related Party Disclosures and amending standard AASB 2009-12	No significant changes on adoption of this standard.
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement	No significant changes on adoption of this standard.
AASB 2010-4 / 2010-5 Amendments and further amendments to Australian Accounting Standards arising from the Annual Improvements Project	No significant changes on adoption of this standard.
AASB 2010-6 Amendment to Australian Accounting Standards – Disclosures on transfers of financial assets	No significant changes on adoption of this standard.
AASB 1054 Additional Australian disclosures / AASB 2011-1 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence	Minimal impact since most of the disclosures required by AASB 1054 are already included within the financial statements.

## Nambucca Heads RSL Club Limited

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### 2 Cash and Cash Equivalents

Note	2014 \$	2013 \$
Cash at bank and on hand	258,230	243,201
Short-term bank deposits	138,145	138,145
	<u>396,375</u>	<u>381,346</u>

### 3 Trade and Other Receivables

	2014 \$	2013 \$
CURRENT		
Trade receivables	47,657	39,810

### 4 Inventories

	2014 \$	2013 \$
CURRENT		
Inventories at cost:	124,936	144,370

### 5 Property, Plant and Equipment

	2014 \$	2013 \$
LAND AND BUILDINGS		
Freehold land		
At cost	75,606	75,606
Total Land	<u>75,606</u>	<u>75,606</u>
Building		
At cost	7,399,177	7,399,177
Accumulated depreciation	( 2,281,779)	( 2,082,667)
Total buildings	<u>5,117,398</u>	<u>5,316,510</u>
Total land and buildings	<u>5,193,004</u>	<u>5,392,116</u>
Plant and equipment		
At cost	5,285,716	5,174,397
Accumulated depreciation	( 3,804,849)	( 3,718,164)
Total plant and equipment	<u>1,480,867</u>	<u>1,456,233</u>
Leasehold Improvements		
At cost	421,755	421,755
Accumulated amortisation	( 274,428)	( 257,541)
Total leasehold improvements	<u>147,327</u>	<u>164,214</u>
Total plant and equipment	<u>1,628,194</u>	<u>1,620,447</u>
<b>total property, plant and equipment</b>	<u><b>6,821,198</b></u>	<u><b>7,012,563</b></u>

#### (a) Movements in Carrying Amounts

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

# Nambucca Heads RSL Club Limited

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	Land \$	Buildings \$	Furniture and Equipment \$	Leasehold Improvements \$	Total \$
<b>Balance at 30 June 2014</b>					
Balance at the beginning of year	75,606	5,316,510	1,456,233	164,214	7,012,563
Additions	-	-	347,430	-	347,430
Disposals - written down value	-	-	(16,245)	-	(16,245)
Depreciation expense	-	(199,112)	(306,551)	(16,887)	(522,550)
<b>Balance at 30 June 2014</b>	<b>75,606</b>	<b>5,117,398</b>	<b>1,480,867</b>	<b>147,327</b>	<b>6,821,198</b>

## 6 Intangible Assets

	2014 \$	2013 \$
Poker Machine Entitlements - at cost	16,978	222,942
Accumulated amortisation and impairment	(8,644)	(139,608)
<b>Net carrying value</b>	<b>8,334</b>	<b>83,334</b>

The poker machine entitlements are licenses purchased under current Government regulation that allow the club to increase the number of poker machines. It is considered that the life of the entitlements is indefinite, so the cost cannot be amortised. However, under the applicable accounting standards, these intangible assets must be tested annually for impairment. Impairment on an asset occurs when the carrying amount exceeds the recoverable amount. Where this occurs, the value of the asset must be reduced to the lower amount with the resulting loss being shown in the Statement of Comprehensive Income. Based on indicative market values, the impairment write off for the year ended 30th June 2014 was NIL. The total write down recognised to date is \$8,644 as shown above.

### (a) Movement in Carrying Amounts

	Poker Machine Entitlements \$
<b>Year ended 30 June 2014</b>	
Balance at the beginning of the year	83,334
Disposals	(75,000)
<b>Closing value at 30 June 2014</b>	<b>8,334</b>

## 7 Other Assets

	2014 \$	2013 \$
CURRENT		
Prepayments	21,116	35,547

## 8 Trade and Other Payables

	Note	2014 \$	2013 \$
CURRENT			
Trade payables		198,989	294,798
Annual Leave Entitlements		256,663	306,468
Other payables		481,348	554,370
		<b>937,000</b>	<b>1,155,636</b>

# Nambucca Heads RSL Club Limited

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## (a) Financial liabilities at amortised cost classified as trade and other payables

	Note	2014 \$	2013 \$
Trade and other payables:			
- total current		<u>937,000</u>	1,155,636
Less:			
Annual leave entitlements		<u>(256,663)</u>	(306,468)
Financial liabilities as trade and other payables	13	<u>680,337</u>	849,168

## 9 Borrowings

	Note	2014 \$	2013 \$
CURRENT			
Secured liabilities:			
Commercial Bill Payable		-	2,500,000
Lease liability secured		132,676	76,398
Hire Purchase Liabilities		22,512	29,352
<b>Total current borrowings</b>		<u>155,188</u>	<u>2,605,750</u>

	Note	2014 \$	2013 \$
NON-CURRENT			
Commercial Bill Payable		2,500,000	-
Fully Drawn Advances		-	10
Lease liability secured		99,494	64,239
Hire Purchase Liabilities		44,822	28,759
<b>Total non-current borrowings</b>		<u>2,644,316</u>	<u>93,008</u>

### (a) Commercial Bill payable

The commercial bill payable has been classified as non-current as it matures on 10 February 2016 and bears interest only payments at the variable interest rate applicable at each draw down date, payable monthly in arrears plus a 3.1% p.a. line fee payable quarterly in advance.

The Commercial Bill Payable is secured by a registered first mortgage over the Club premises located at Nelson Street, Nambucca Heads, along with a fixed and floating charge over all present and future assets of the Club.

### (b) Leased Liabilities

Leased liabilities relate to agreements for Poker Machines and their related games and licences with leasing terms of 36 months. A new DACOM 7000e Gaming System was acquired during the year for \$90,746 which is also being leased on a term of 36 months. The liabilities are secured by the underlying leased assets.

### (c) Hire Purchase Liabilities

A Hire Purchase contract for the acquisition of a commercial air conditioning plant commenced in February 2013 for a period of 5 years, and an additional Hire Purchase contract for the acquisition of another commercial air conditioning plant commenced in February 2014 for a period of 3 years.



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## 10 Provisions

	2014	2013
	\$	\$
CURRENT		
Provision for Club Grants (Donations)	4,524	11,912

A liability has been provided for Club Grants (Donations) in lieu of payment of Poker Machine Duty.

## 11 Employee Benefits

	2014	2013
	\$	\$
CURRENT		
Provision for employee benefits	94,080	97,376
NON-CURRENT		
Provision for employee benefits	72,805	71,157

### (a) Reconciliation of amounts in the statement of financial position

	2014	2013
	\$	\$
Beginning of the year	168,533	198,063
Current service cost	17,534	(1,810)
Benefits paid	(19,182)	(27,720)
<b>End of year</b>	<b>166,885</b>	<b>168,533</b>

## 12 Leasing Commitments

### (a) Finance lease and Hire Purchase commitments

Payable - minimum lease payments:

- no later than 1 year	155,188	105,750
- between 1 year and 5 years	144,316	92,998
- greater than 5 years	-	-
Minimum lease payments	<b>299,504</b>	<b>198,748</b>

Finance leasing commitments relate to hire purchase and leasing arrangements for poker machine and their related games and licences with terms of 36 months.

### (b) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	2014	2013
Note	\$	\$
Payable - minimum lease payments:		
- no later than 1 year	35,000	35,000
- between 1 year and 5 years	140,000	140,000
- greater than 5 years	140,000	175,000
	<b>315,000</b>	<b>350,000</b>

The operating lease relates to a property lease agreement with the Nambucca Shire Council for the lease of the portion of the car park on land not owned by the Club. The term is for 25 years from November 2006 to November 2021. The rent payable is varied and recalculated by market rent review every 5 years. Increases in lease commitments may also occur in line with the Consumer Price Index (CPI). A market review was completed in August 2010 and the revised rent commencing November 2011 was \$35,000 for the next 5 years.

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## 13 Financial Risk Management

The main risks Nambucca Heads RSL Club Limited is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and equity price risk.

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bank loans and overdrafts, loans to and from subsidiaries, bills, leases, preference shares, and derivatives.

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

	Note	2014 \$	2013 \$
<b>Financial Assets</b>			
Cash and cash equivalents		396,375	381,346
<b>Total financial assets</b>		<b>396,375</b>	<b>381,346</b>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
Trade and other payables		680,337	849,168
- Borrowings		2,799,504	2,698,758
<b>Total financial liabilities</b>		<b>3,479,841</b>	<b>3,547,926</b>

## 14 Members' Guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$ 2 each towards meeting any outstanding obligations of the company. At 30 June 2014 the number of members was 5,085 (2013: 4,693).

## 15 Interests of Key Management Personnel

The total remuneration paid to key management personnel of the company is \$ 425,762 ( 2013 : \$ 367,129 ).

## 16 Contingent Liabilities and Contingent Assets

In the opinion of the Directors, the company did not have any contingencies at 30 June 2014 ( 30 June 2013 : None ).

## 17 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The only related party transaction for the year ended 30 June 2014 include transactions with Director Terrie Hyslop's company, Hyslop Upholstery & Interiors. This company was used throughout the year to re-cover stools. The total amount paid for work performed by Hyslop Upholstery & Interiors for the year was \$ 3,318.18.

## 18 Events after the end of the Reporting Period

The financial report was authorised for issue on 25 September 2014 by the Board of Directors. No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

## 19 Capital Expenditure Commitments

Between the end of the financial year end of the financial year and that date of these financial statements, the entity has committed to the following capital expenditure (net of GST):

Poker Machines and Equipment	\$ 65,879
Bar Equipment	\$ 4,279
Catering Equipment	\$ 16,595

## Nambucca Heads RSL Club Limited

ABN 36 000 962 185

### DIRECTORS' DECLARATION

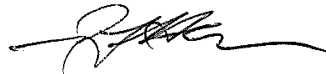
The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 24, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards - Reduced Disclosure Requirement; and
  - b. give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the company.
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 a resolution of the Board of Directors.



Director: William Brian Duncan



Director: William John Henderson

Dated : 25 September 2014

## **Report on the Financial Report**

We have audited the accompanying financial report of Nambucca Heads RSL Club Limited, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### *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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Independence*

In conducting our audit, 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 Nambucca Heads RSL Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.



## **Independent Audit Report to the Members of Nambucca Heads RSL Club Limited**

### *Opinion*

In our opinion the financial report of Nambucca Heads 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 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards- Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Hooykaas Lawry Valjan

A handwritten signature in black ink, appearing to read 'A. Hooykaas', is written in a cursive style.

Aart Hooykaas  
Hooykaas Lawry Valjan

Nambucca Heads, 25 September, 2014

**HOYKAAS LAWRY VALJAN**  
ABN 56 764 761 064  
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**PARTNERS**  
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**Nambucca Heads RSL Club Limited**  
ABN 36 000 962 185

## **ClubGRANTS / DONATIONS**

### **Category 1**

Adam CRAWFORD	6375.00
Frank Partridge VC Military Museum	5000.00
Lara Jean Association Inc.	600.00
Lions Club of Valla	1800.00
Nambucca Heads Men's Shed	3467.00
Nambucca Heads R&SL Sub Branch	9278.79
Nambucca Valley Ex-Service Women's Association	1000.00
Nambucca Valley NASHOS	3485.00
Nambucca Valley RSL Day Club	2500.00
Northern Region SLSA Westpac Helicopter Service	6000.00

### **Category 2**

Cancer Council - Daffodil Day & Relay for Life	1000.00
Alina TAPE	1000.00
Damian CROSS	1000.00
Elly Stig Memorial Golf Day	500.00
Frank Partridge VC Primary School	33.99
Group 2 Referees Association	1100.00
Group 2 Rugby League Association	1500.00
Nambucca Heads Bowling & Recreation Club	350.00
Nambucca Heads Island Golf Club	500.00
Nambucca Heads Junior Rugby League Football Club	1000.00
Nambucca Heads Public School	100.00
Nambucca River District Agricultural Association	250.00
Nambucca River Jockey Club	1750.00
Nambucca Strikers Football Club	1000.00
Open Arms Care Inc.	2000.00
Sydney Legacy - Charity Bowls Day	236.99

### **Category 3**

Office of Liquor Gaming & Racing – unclaimed tickets	152.43
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### **In Kind**

Cancer Council ( Jeans for Genes Day / N/Valley Dialysis Appeal / Patriots Aust. )	132.95
Lions Club of Nambucca Heads	2950.16
Lions Club of Valla	45.45
Macksville District Poultry Club	90.90
Nambucca Heads R&SL Sub Branch	11.60
Nambucca Strikers Football Club	90.90
Nambucca Valley Care Limited	45.45
Thoroughbred Tipping Competition	300.00

## **Nambucca Heads RSL Club Limited**

ABN 36 000 962 185

### **Other “ In Kind “ donations**

Associated Park Residents Association ( APRA )  
Australian Hearing  
Department of Veteran Affairs  
Engadine Rotary Club  
Group 2 Referees Association  
Group 2 Rugby League Football  
Laurel Club  
Legacy, Nambucca Valley Division  
Lions Club, Nambucca Heads  
Mission Australia Carers Support Group  
Nambucca Heads High School  
Nambucca Heads High School P&C Association  
Nambucca Heads R&SL Day Club  
Nambucca Heads R&SL Sub-Branch  
Nambucca Heads R&SL Women’s Auxiliary  
Nambucca Rotary  
Nambucca Valley Horsemanship  
Nambucca Valley NASHOS  
Nambucca Valley Naval Association  
Nambucca Valley Services Council  
Nambucca Valley Ukulele Group  
Partners of Veterans ( PVA )

**ClubSAFE**

**THINK! DO YOU  
HAVE A PROBLEM  
WITH GAMBLING?**

**SELF-EXCLUSION & COUNSELLING MAY HELP**

This club can help you to SELF-EXCLUDE from part or all of this and other clubs. Free face-to-face or phone counselling is available if you think you have a problem with gambling.

For confidential advice about SELF-EXCLUSION and counselling, please call:

**1800 99 77 66**

[clubsafe@clubsnsw.com.au](http://clubsafe@clubsnsw.com.au) 24 hrs, 7 DAYS

Or see the Club Official or Manager on Duty

**GAMBLING HELP  
1800 656 654**

ClubSAFE Counselling is an initiative of ClubsNSW and your local club.  
To register for this service, call ClubsNSW on 1800 710 001  
[www.clubsnsw.com.au](http://www.clubsnsw.com.au)

**ClubsNSW**