



Forster Tuncurry Memorial Services Club Limited

# ANNUAL GENERAL MEETING

## Monday 22nd October 2018

### NOTICE TO MEMBERS

Notice is hereby given that the  
Annual General Meeting  
of the  
Forster Tuncurry Memorial Services Club Limited  
will be held on club premises  
at Club Forster at 5.30 p.m.  
on Monday 22nd October, 2018

All Members are invited to attend.

Doors will open at 4.45 p.m. and no admittance  
will be permitted after  
the commencement of the meeting.

Current membership cards  
must be shown to gain admittance.

Food, refreshments and first class entertainment  
will follow the meeting.



## \*\*\*\* MUSIC OF THE NIGHT \*\*\*\*



*'Music of the Night' is an enchanting musical and visual spectacular presented by highly acclaimed multi award winning international pianist Joy Fimmano.*

*Joey is joined on stage by the elite of Australian entertainment, stars of musicals and the concert stage, and the ultimate in Australia's musicians with the 'Music of the Night' Orchestra. 'Music of the Night' with all it's grandeur, will leave you feeling charmed, uplifted, spirited, happy and exhilarated with all it's beautiful music and melodies loved by all who hear them.*

*An enjoyable evening of instrumentals, singing, dancing that will leave you standing for more!*

# NOTICE OF 2018 ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Forster Tuncurry Memorial Services Club Limited will be held on the club premises at 5.30 p.m. on Monday 22nd October, 2018 for the following purposes:

1. Apologies
2. Confirmation of the Minutes of the Annual General Meeting held 23rd October, 2017
3. To receive and adopt the 2018 Annual Report including the Financial Statements for the year ended 30th June, 2018
4. Notice of Ordinary Resolutions:  
To consider, and, if thought fit, to pass the following resolutions with such amendment, if any, as shall be determined at the meeting, as Ordinary Resolutions:

## **Ordinary Resolution 1**

That pursuant to the Registered Clubs Act 1976:

1. 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:
  - (a) The reasonable cost of a meal and beverage for each Director immediately before or immediately after a Board or Committee Meeting on the day of that Meeting where the Meeting corresponds with a normal meal time;
  - (b) (i) Reasonable expenses incurred by Directors in relation to such other activities including entertainment of special guests to the Club;  
(ii) Expenses involved in attendance at Intra-Club activities, sponsorship of sporting events deemed by the Directors to be of benefit to the Club and/or the community and other promotional activities performed by Directors;  
(iii) Reasonable costs of Directors attending all functions and activities at the Club deemed by the Directors to be of benefit to the Club;  
(iv) Reasonable costs for attendance at functions with spouses where appropriate, and required, to represent the Club; with the expenses of any of the aforementioned activities to be approved by the Board before payment is made on the production of receipts, invoices or other proper documentary evidence of such expenditure;
  - (c) Reasonable expenses for the provision of a Chairpersons Dinner once a year and on such other occasions as the Board might approve with the persons in attendance to comprise the Directors and their partners and persons chosen by the Chairperson who have supported the club during the relevant year and thereby promoted the success of the club;
  - (d) The payment of Directors and Officers insurance cover premiums;
  - (e) The Club to provide a uniform for Directors consisting of blazer, tie, trousers/skirt, shirt/blouse, sports jacket and cleaning expense of same;
  - (f) That each Director be entitled to a specified parking space in the car park;
  - (g) That each Director be entitled to be provided with an electronic device (for example a laptop computer, i-pad, tablet or other similar device) and an electronic storage device (for example a flash drive or portable hard drive);



- (h) That each Director be entitled to be provided with external access to the internet.
- 2. The members acknowledge that the benefits in paragraph (1) are not available to the members generally but only to those who are Directors of the Club and those members directly involved in the above activities.

#### **Explanatory Note**

Pursuant to the requirements of the Registered Clubs Act 1976, the Club is required at each Annual General Meeting to have members approve reasonable expenditure by the Club in relation to duties performed by the Directors.

To be passed, Ordinary Resolution 1 must receive a simple majority of votes in its favour from those members present at the meeting who are eligible to vote.

The Board recommends Ordinary Resolution 1 to the meeting.

#### **Ordinary Resolution 2**

That pursuant to the Registered Clubs Act 1976:

- (a) The members hereby approve and agree to reasonable expenditure by the Club for professional development and education of Directors until the next Annual General Meeting and being:
  - (i) The reasonable cost of directors attending the Australasian Hospitality and Gaming Expo, Australasian Gaming Expo and Club's NSW Annual General Meeting and Conference;
  - (ii) The reasonable costs of Directors attending seminars, lectures, trade displays, organised study tours, fact-finding tours and other similar events as may be determined by the Board from time to time;
  - (iii) The reasonable costs of Directors attending other clubs or similar types of business for the purpose of observing their facilities and methods of operation;
  - (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.

#### **Explanatory Note**

Pursuant to the requirements of the Registered Clubs Act 1976, the Club is required at each Annual General Meeting to have members approve reasonable expenditure by the Club for Directors to attend seminars, lectures, trade displays and other similar events including Australasian Hospitality and Gaming Expo, Australasian Gaming Expo and Clubs NSW Annual General Meeting and Conference 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.

To be passed, Ordinary Resolution 2 must receive a simple majority of votes in its favour from those members present at the meeting who are eligible to vote.

The Board recommends Ordinary Resolution 2 to the meeting.

#### **Ordinary Resolution 3**

Approval of Honoraria for Directors for the year 2017/2018

That pursuant to the Registered Clubs Acts 1976: as amended, the members hereby approve and agree to the members of the Board during the period preceding the next Annual General Meeting receiving Honoraria for the positions named and for the sums referred to below in respect of services rendered to the Club and the members further acknowledge that the Honoraria are not available to members equally but only those members elected to the Board of Directors of the Club:

- i. \$12,000 to the President;
- ii. \$7,000 to the Vice Presidents;
- iii. \$6,000 to each Director.



### Explanatory Note

Pursuant to the requirements of the Registered Clubs Act, 1976 the Club is required to have the Honoraria for Directors approved by the members at the Annual General Meeting. The purpose of this resolution is to comply with the requirements of the Registered Clubs Act. The level of Honoraria proposed is the same amount paid last year.

To be passed, Ordinary Resolution 3 must receive a simple majority of votes in its favour from those members present at the meeting who are eligible to vote. The Board recommends Ordinary Resolution 3 to the meeting.

### Ordinary Resolution 4

Approval of Honoraria for the Social Bowls Co-ordinator for the year 2018/2019. That pursuant to the Registered Clubs Act 1976, as amended, the members hereby approve and agree to the Social Bowls Co-ordinator receiving a Honoraria of \$7,500 per annum which is to be paid monthly in arrears for services rendered to the Sports Club. If the Social Bowls Co-ordinator only holds this position for part of the year, then the Honoraria shall be paid on a pro-rata basis.

### Explanatory Note

The Social Bowls Co-ordinator administers social bowling events at the Sport's Club and is remunerated for such service in line with past years. In order for this to occur the Club Limited is required pursuant to the requirements of the Registered Club Act, 1976 to have the Honoraria approved by the members at the Annual General Meeting. The level of Honoraria proposed is the same amount paid last year.

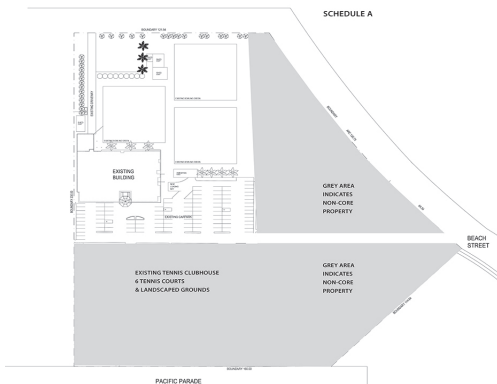
To be passed, Ordinary Resolution 4 must receive a simple majority of votes in its favour from those members present at the meeting who are eligible to vote. The Board recommends Ordinary Resolution 4 to the meeting.

### Ordinary Resolution 5

That, for the purposes of Section 41E of the Registered Clubs Act, the members of Forster-Tuncurry Memorial Services Club Limited (Club) hereby declare the part of the Club's core property set out in Schedule "A" (referred to as The Land being the Tennis Clubhouse, 6 Tennis Courts and Landscaped Grounds) situated 65 Beach Street, Tuncurry not to be core property of the Club (i.e., that the Tennis Clubhouse, 6 Tennis Courts and landscaped grounds are "non-core" property of the Club).

Plan of Club's The Land situated at 65 Beach Street Tuncurry with the "proposed non-core property" (Tennis Clubhouse, 6 Tennis Courts and Landscaped Grounds).

### SCHEDULE A





### Explanatory Notes

1. The Club premises at 65 Beach Street, Tuncurry (being the defined licenced premises known as "Sporties Tuncurry", 3 bowling greens, car park, tennis club house and 6 tennis courts) is currently "core property" of the Club.
2. All other parts of the Club's land at 65 Beach Street, Tuncurry (that is excluding the defined licenced premises, 3 bowling greens, car park, tennis club house and 6 tennis courts) is currently "non core property" of the Club.
3. The Ordinary Resolution proposes that members declare the area marked in Schedule "A" being the Tennis Clubhouse, 6 Tennis Courts and Landscaped Grounds to be "non core property" of the Club.
4. That is, if the Ordinary Resolution is passed, the only parts of the Club's land at 65 Beach Street, Tuncurry that will remain core property will be the defined licenced premises, 3 bowling greens and car park. All other land belonging to the Club at 65 Beach Street Tuncurry will be "non core" property.

#### **Core Property and Non Core Property**

5. Under section 41E of the Registered Clubs Act, land owned by a registered club is divided into core and non-core property.
6. Core property is any real property (land) owned or occupied by the Club that comprises:
  - (a) the licensed premises of the Club;
  - (b) any facility provided by the Club for its members and their guests (such as a car park or bowling green); and
  - (c) any other property declared by a resolution passed by members at a general meeting to be core property of the Club.
7. Non-core property is any land owned or occupied by the Club that is not core property.
8. The difference between core property and non-core property is that core property cannot be sold or disposed of by the Club (except for limited purposes set out in the Registered Clubs Regulations) without the approval of the members in general meeting.
9. On the other hand, non-core property can be disposed of by the Club pursuant to a resolution of the Board and without the necessity of obtaining the approval of the members in general meeting.
10. Section 41E of the Registered Clubs Act gives members the power by resolution passed at a general meeting to declare core property to be non-core property.

The Board's reasons for asking members to declare the Tennis Clubhouse, 6 Tennis Courts and Landscaped Grounds (The Land) to be "non core property" of the Club are:

11. The Board is continuously considering and planning for the future Strategic direction of the Club.
12. As part of this Strategic Planning, the Board continuously reviews and considers the present and future possible alternative use of the Club's properties, including The Land.
13. As most of the Club's properties (including The Land) are 'core property' for the purpose of the Registered Clubs Act, this limits the options that are available to the Club. By way of example:
  - (a) The Board would like to consider the possibility of diversifying the Club's revenue streams; and
  - (b) The Club may be able to diversify its revenue streams by developing



The Land into mixed use which leverages off the Club's location.

- (c) The mixed use potential is varied and could include over 55 or Seniors Living, recreational vehicle caravan park, motel or any other permissible option.
  - (d) The Club could then lease, sell, joint venture or any other combination of arrangements with the primary objective of delivering sustainable investment returns for the benefit of members and the community.
14. However, whilst The Land is classified as "core property", the ability for the Club to use and develop The Land is potentially limited.
  15. The Board believes it is imperative for the Club to continue to plan and to diversify its revenue streams. However, the Board does not wish to spend considerable time, energy and financial resources in considering the future use of the Club's properties if there is any potential for members to ultimately reject those plans.
  16. The Board wants the ability to negotiate and agree to the redevelopment and/or disposal of The Land with purchasers in the most timely manner possible and not have to obtain further approvals or consents from members.
  17. That is, the Board is seeking the approval from members now to be able to dispose of the Tennis Clubhouse, 6 Tennis Courts and Landscaped Grounds without the need for further approval from members in the future.
  18. Even though the Board would not have to obtain further approval from members if Ordinary Resolution 5 is passed, the Board still has to act in the best interests of the Club which includes only agreeing to sell its land at a fair market price.
  19. Under the Registered Clubs Act, there are various ways the Board can acquire member approval to be able to sell core property. If members are of the view that the Land should not be declared non-core property, the Board could seek different approvals under the Registered Clubs Act at a later date.
  20. However, broadly speaking, those approvals will require the Club to reach a potential agreement which will then be subject to specific member approval or, conduct the sale through public auction or open tender. Accordingly, at this time, the Board is proposing the resolution to declare the Tennis Clubhouse, 6 Tennis Courts and Landscaped Grounds as non-core property to give the Board the greatest degree of flexibility in finalising any potential sale or re-development.
  21. The Board recommends Ordinary Resolution 5 to the meeting.

## **5. Notice of Special Resolutions**

To consider and if thought fit, pass the following resolutions which are proposed as Special Resolutions:

### **Special Resolution 1**

*(The Special Resolution is to be read in conjunction with the explanatory notes)*

That the Constitution of Forster-Tuncurry Memorial Services Club Limited be amended by:

- (a) deleting from the definition of "By-Laws" in Rule 1(a) the words "and include



- Rules" and in their place inserting the words "the by-laws made in accordance with these Rules."
- (b) deleting from the definition of "Month" in Rule 1(a) the word "Articles" and in its place inserting the word "Rules".
  - (c) deleting from Rule 2(a) the figure "28" and the word "unfinancial" in their place inserting the figure "27" and the words "non-financial for the purposes of Rule 27A" respectively.
  - (d) inserting the following new Rule 6(e):  
"Subject to clause 4 of the Memorandum, a director shall be entitled to receive an honorarium in accordance with Section 10(6) (b) of the Registered Clubs Act."
  - (e) deleting from Rule 8(d) the words "section 73(2) (b)" and in their place inserting the words "section 73(2)".
  - (f) deleting Rule 9(a) and renumbering Rule 9(b) as Rule 9.
  - (g) deleting Rule 15(a)(iii) and in its place inserting the following new Rules 15(a) (iii) and (iv):
    - "(iii) any person who produces evidence that he or she is a serving member of the Australian Defence Force; and
    - (iv) any person who is a former member of the Australian Defence Force and who produces evidence that he or she is:
      - (1) a Service Member of the RSL; and
      - (2) a member of at least one other RSL or services club."
  - (h) deleting from Rule 15(c) the words "Rule 15(a) (iii)" and in their place inserting the word "Rules 15(a) (iii) and (iv)".
  - (i) deleting Rule 17(f) (iii) and renumbering the remaining provision accordingly.
  - (j) inserting the following new Rule 27A and heading:

#### **"NON-FINANCIAL MEMBERS**

Notwithstanding any Rule contained in this Constitution, any member who is not a Financial member (as defined in Rule 2(a)) shall not be entitled to:

- (a) attend at the premises or use any of the facilities of the Club for any purpose without the permission of the Board; or
- (b) participate in any of the recreational, social or sporting activities of the Club or any Section without the permission of the Board;
- (c) attend or vote at any meeting of the Club or any Section;
- (d) nominate or be elected or appointed to the Board or any committee of a Section;
- (e) vote in the election of the Board or any committee of a Section;
- (f) propose, second or nominate any eligible member for any office of the Club or any Section;
- (g) propose, second or nominate any eligible member for Honorary Life membership."
- (k) inserting at the end of Rule 28 the words "within seven (7) days of changing their address as recorded in the register referred to in Rule 29(a)."
- (l) inserting into Rule 30(a)(iii) after the words "evidence before it" the words "and impose any penalties".



- (m) inserting the following new Rules 30(a)(iv) to (vii) and renumbering the remaining provisions accordingly:
- “(iv) After the Board has considered the evidence put before it, the Board must come to a decision as to whether the member is guilty or not of the charge.
  - (v) When the Board has made a decision as to whether the member is guilty or not, if the member charged is at the meeting, the Board must inform the member of the Board’s decision.
  - (vi) If the member charged has been found guilty and is at the meeting, the member must be given a further opportunity at the meeting to address the Board in relation to an appropriate penalty for the charge of which the member has been found guilty.
  - (vii) The Board shall have the power to adjourn, for such period as it considers fit, a meeting pursuant to this Rule 30.”
- (n) deleting from existing Rule 30(a) (v) the words “paragraph (iv)” and in their place inserting the words “paragraph (viii)”.
- (o) inserting into Rule 30(b) after the words “the Board” the words “or the Secretary (independently of the Board)”.
- (p) inserting the following new Rules 30(g) to (i):
- “(g) Subject to Rules 30(h) and (i), a member who incurs a debt to the Club and fails to discharge such debt within seven (7) days from service on that member of a notice from the Club in writing requiring payment thereof, may, by resolution of the Board, be suspended or expelled from membership.
  - (h) A member shall be notified, by notice in writing sent by post to the member’s last known address, at least seven (7) days before the meeting of the Board at which the resolution is to be considered of the Board’s intention to suspend or expel the member pursuant to Rule 30(g).
  - (i) The provisions of Rule 30(a) shall not apply to any member suspended or expelled pursuant to Rule 30(g).”
- (q) deleting Rule 31B(a) and in its place inserting the following new Rule 31B(a):
- “The Board may delegate all of its powers and functions pursuant to Rules 30, 31 and 31A to a Disciplinary Sub Committee which shall consist of four (4) directors comprising the President, the two (2) Vice Presidents (or in the absence of one or both of the Vice Presidents then to such other director or directors as the Board may determine from time to time) and one (1) other director.”
- (r) deleting from Rule 31B(c) the words “it is unanimous in its decision” and in their place inserting the words “a majority of members of the Disciplinary Sub Committee vote in favour of its decision.”
- (s) deleting Rule 32 and in its place inserting the following new Rule 32:
- “(a) A member may at any time resign from his or her membership of the Club by either giving notice in writing to the Secretary or returning his or her membership card to an officer of the Club and clearly indicating to the officer that he or she resigns from membership.
  - (b) A resignation pursuant to Rule 32(a) shall take effect from the date on which the notice is received by the Secretary or the date on which the membership card is received by the officer of the Club.





- (c) Any member who has resigned pursuant to Rule 32(a) will not be entitled to any refund of any joining fee, subscription or other payment made to the Club."
- (t) inserting into Rule 33(a) after the words "the name" the words "in full or the surname and initials, the date on which the entry of the guest's name in the register is made".
- (u) inserting into Rule 40 after the words "take the chair." the words "If the Vice Presidents are not present or are unwilling or unable to act then the directors present shall elect one of their number to take the chair for that meeting."
- (v) deleting Rule 53(b) and in its place inserting the following new Rule 53(b): "The Board must call and arrange to hold a general meeting of the Club on the request of members with at least five per cent (5%) of the votes that may be cast at the general meeting. In this Rule 53, the term "the request" shall mean the request referred to in this Rule 53(b)."
- (w) deleting from Rule 55(b) the figure "71" and in its place inserting the figure "71A".
- (x) inserting at the end of Rule 62(a) the words "and shall be given notice of all general meetings at the same time as such notice is given to the members."
- (y) deleting from Rule 64 the words "one hundred and fifty (150)" and "If at any adjourned meeting a quorum is not present the same shall be dissolved" and in their place inserting the words "forty (40)" and "If at any adjourned meeting a quorum is not present, the members present shall be a quorum and may transact any business for which the meeting was called" respectively.
- (z) inserting into Rule 65(a) after the words "five (5) members" the words "or the chairperson".
- (aa) deleting Rule 68 and in its place inserting the following new Rule 68 and heading:

#### **MINUTES**

- (a) The Club must keep minute books in which it records proceedings and resolutions of general meetings of the Club, proceedings and resolutions of meetings of the directors of the Club (including meetings of a committee of directors) and resolutions passed by directors without a meeting.
  - (b) The Club must ensure that minutes of a meeting are signed within one (1) month of the meeting by the chairperson of the meeting or the chairperson of the next meeting and minutes of the passing of a resolution without a meeting are signed by a director within one (1) month of the date on which the resolution is passed.
  - (c) A minute that is so recorded and signed is evidence of the proceeding, resolution or declaration to which it relates, unless the contrary is proved."
- (bb) deleting Rule 69 and in its place inserting the following new Rule 69:

"The Board shall:

- (a) cause proper accounts and records to be kept with respect to the financial affairs of the Club in accordance with the Act and the Registered Clubs Act.



- (b) prepare, on a quarterly basis, financial statements that incorporate:
  - (i) the Club's profit and loss accounts and trading accounts for the quarter; and
  - (ii) a balance sheet as at the end of the quarter.
- (c) cause the financial statements referred to in Rule 69(b) to be submitted to a meeting of the Board.
- (d) make the financial statements referred to in Rule 69(b) available to members of the Club within forty-eight (48) hours of the statements being adopted by the Board.
- (e) indicate, by displaying a notice on the Club's premises and on the Club's website, how the members of the Club can access the financial statements referred to in Rule 69(b).
- (f) provide a copy of the financial statements referred to in Rule 69(b) available to any member on the written request of the member.

#### **Explanatory Notes**

1. The Special Resolution proposes a number of amendments to the Club's Constitution to ensure the Constitution:
  - (a) reflects and is consistent with current legislation; and
  - (b) is up to date and in good working order.
2. Paragraph (a) makes a minor amendment to clarify the meaning of "By-laws".
3. Paragraph (b) is a typographical amendment.
4. Paragraphs (c) and (j) clarify that non-financial members do not have any rights of membership. A member will be a non-financial member if the member's subscription or any part thereof has not been paid or any money (other than a member's subscription) owing by that member to the Club has remained unpaid at the expiration of fourteen (14) days from service on that member of a notice from the Club requiring payment thereof.
5. Paragraph (d) provides that a Director is entitled to receive an honorarium in accordance with Section 10(6)(b) of the Registered Clubs Act. This reflects the Registered Clubs Act and existing practice of the Club.
6. Paragraph (e) corrects a cross reference to the Gaming Machines Act.
7. Paragraph (f) removes a provision that is no longer required. Previously, the maximum number of members of the Club was restricted by the Registered Clubs Act. The Registered Clubs Act no longer prescribes a maximum number of members for clubs.
8. Paragraphs (g) and (h) amend existing provisions relating to Honorary membership to bring the Constitution into line with the Registered Clubs Act.
9. Paragraphs (i) and (t) amend existing provisions relating to the registers of Temporary members and guests to bring the Constitution into line with the Registered Clubs Act.



10. Paragraph (k) requires members to advise the Club of any change in their address within 7 days of changing their address. This is to ensure the Club complies with the Registered Clubs Act and keeps its records up to date.
11. Paragraphs (l), (m) and (n) insert new provisions relating to the conduct of disciplinary proceedings to bring the Constitution into line with best practice and the requirements of procedural fairness.
12. Paragraph (o) amends existing provisions to allow the Secretary (in addition to the Board of Directors) to "provisionally suspend" any member who has been issued with a notice of disciplinary charge. This reflects good practice adopted by many clubs.
13. Paragraph (p) inserts new provisions to allow the Board to suspend or expel from membership any member who incurs a debt to the Club and fails to discharge that debt. In these circumstances, the Club is not required to follow the disciplinary procedure set out in Rule 30 of the Constitution. This is a common clause in club constitutions.
14. Paragraphs (q) and (r) amend existing provisions relating to the Disciplinary Sub Committee. In this regard:
  - (a) Currently, the Disciplinary Sub Committee consists of the President and two (2) Vice Presidents (or in the absence of one or both of the Vice Presidents such other director or directors as the Board may determine from time to time). All decisions of the Disciplinary Sub Committee must be passed unanimously (i.e. by the three (3) members of the committee).
  - (b) Paragraph (q) amends the composition of the Disciplinary Sub Committee so that it comprises the President, two (2) Vice Presidents and one (1) other director. The Board continues to be able to appoint another director or directors to the Disciplinary Sub Committee in the absence of one or both of the Vice Presidents.
  - (c) Paragraph (r) in effect requires the decisions of the Disciplinary Sub Committee to be passed by at least three (3) members of the committee.
15. Paragraph (s) amends existing provisions relating to the procedure for a member to resign from membership of the Club to bring the Constitution into line with good practice. This amendment allows a member to resign by returning his or her membership card to an officer of the Club and such resignation will take effect on the date the membership card is received by the officer of the Club. Members will also continue to be able to resign by providing notice in writing to the Secretary. This is a common clause in club constitutions.
16. Paragraph (u) introduces a "fallback provision" into the existing provision relating to the Chair of Board meetings. This allows the Directors to elect one of their number to take the Chair at the meeting, but only if the President and Vice Presidents are unwilling or unable to take the Chair. This is a common clause in club constitutions.
17. Paragraph (v) amends an existing provision relating to the calling of general meetings on the request of members to bring the Constitution into line with the Corporations Act. In this regard:
  - (a) Rule 53(b) provides that the Board must call and arrange to hold a general meeting of the Club on the request of members with at least five per cent (5%) of the votes that may be cast at the general meeting or one hundred (100) members. This reflects the previous



requirements contained in the Corporations Act.

- (b) The Corporations Act was amended in 2015 and now provides that Directors are only required to call and arrange to hold a general meeting of the Club on the request of members with at least five per cent (5%) of the votes that may be cast at the general meeting (and not on the request of one hundred (100) members).
  - (c) This paragraph proposes to amend Rule 53(b) so that it reflects the current requirements of the Corporations Act.
18. Paragraph (w) corrects a cross reference in the Constitution.
19. Paragraph (x) amends existing provisions relating to providing notices of general meetings to the Club's auditor to bring the Constitution into line with the Corporations Act.
20. Paragraph (y) amends existing provisions relating to the quorum for general meetings by:
- (a) Reducing the existing quorum from one hundred and fifty (150) members present and person and eligible to vote to a new quorum of forty (40) such members. This reduces the risk of the club having to adjourn a general meeting.
  - (b) Clarifying that at any adjourned meeting convened by the Board, the members present shall constitute a quorum (irrespective of whether there are at least forty (40) members present). This reduces the risk of the Club being unable to deal with any business at an adjourned meeting.
21. Paragraph (z) amends existing provisions relating to the proceedings at general meetings to allow the Chairperson of the meeting (in addition to five (5) members) to demand a poll in respect of every question submitted to the meeting. This is a common clause in club constitutions.
22. Paragraph (aa) amends existing provisions relating to the Club's minute records to bring the Constitution into line with the Corporations Act.
23. Paragraph (bb) amends existing provisions relating to the accounting and reporting requirements of the Club to bring the Constitution into line with the Corporations Act and Registered Clubs Regulation.

To be passed, Special Resolution 1 must receive votes from not less than three quarter of those members who being eligible to do so vote in person on the Special Resolution at the meeting.

Amendments to the Special Resolution (other than minor typographical corrections which do not change the substance or effect of the Special Resolution) will not be permitted from the floor of the meeting.

The Board recommends Special Resolution 1 to the meeting.

### **Special Resolution 2**

To consider and if thought fit, pass as a Special Resolution that Honorary Membership for her Lifetime be conferred on Claire Eileen Fletcher, Badge No. 303. Moved Colin Cross, Badge No. 10, seconded by Darcy Cheetham, Badge No. 3106.

To be passed, Special Resolution 2 must receive votes from not less than three quarter of those members who being eligible to do so vote in person on the Special Resolution at the meeting.

The Board recommends Special Resolution 2 to the meeting.

- 6. Declaration of Ballot for Board of Directors
- 7. Any other business of which due notice has been given
- 8. Close

## **Election of Board of Directors for the Term 2018 - 2020**

In accordance with Clause 35 and 36 of the Clubs Constitution the business and affairs of the Club shall be managed by a Board of nine (9) Directors consisting of a President, two (2) Vice Presidents and six (6) Ordinary Directors, all of whom shall be Ordinary Members and Honorary Life Members of the Club.



## **Eligibility to Vote**

### **Roll of Electors**

The roll of members entitled to vote at this election will close on Tuesday 11th September, 2018.

### **Method of Voting and Counting**

The election will be conducted under the procedures of the NSW Electoral Commission. The ballot will be determined by a simple majority of "first-past-the-post" system, with the amendments shown below. Voters must vote by pressing a number, in the squares against the candidates of their choice. Please carefully follow the voting instructions on the electronic ballot papers.

Where a ballot paper shows a preference for a candidate who has been elected to a higher position (President, Vice President) that preference will be disregarded and the vote will be allocated to the candidate with the next preference in the sequence.

When all votes have been allocated the votes will be tallied for each candidate remaining in the ballot and in the case of a ballot for the 6 Directors, the 6 candidates with the highest number of votes will be deemed elected.

This process ensures that votes cast for candidates that become ineligible for election in a ballot for Vice-President and Directors as a result of being elected as President or Vice-President are not exhausted.

If you have any questions in relation to the above instructions please feel free to discuss the matter with the Returning Officer or Assistant Returning Officer.

### **Ballot**

If a ballot is necessary a draw will be conducted to determine the order of candidates' names on the ballot paper at Club Forster at 6.00 p.m. Monday 20th August, 2018. Candidates or their representatives are invited to witness the draw.

### **Voting Times**

Voting for the Board of Directors of the Forster Tuncurry Memorial Services Club Ltd for the year 2018 - 2020 will take place as follows:  
Voting for the Board will be available in the foyer of Club Forster, 19 Strand Street, Forster from 12 noon to 6.00 p.m. daily on Saturday 13th October, Monday 15th October, Tuesday 16th October and Friday 19th October, 2018 at 7.00 p.m. Also at the Sports Club, 65 Beach Street, Tuncurry from 10.00 a.m. to 6.00 p.m. on Wednesday 17th October and Thursday 18th October, 2018.

### **Closing**

The Ballot will close at 7.00 p.m. Friday 19th October, 2018.

### **Result of Electoral Poll**

The Returning Officer will declare the results of the ballot at the Annual General Meeting to be held Monday 22nd October, 2018.

### **How to Vote Material**

Members shall not on either of the Club's premises or grounds issue or cause to be issued or distributed to other members any how to vote card or other similar documents or material advocating that members either vote for or against any candidate or group of candidates seeking election to the Board of Directors of the Club.

### **Returning Officer**

Mrs. Barbara Smith has been appointed Returning Officer and Mr. John Smith



as the Assistant Returning Officer for the 2018 - 2020 Election of the Board of Directors and can be contacted on 6555 8090.

## NOTICE TO MEMBERS

In accordance with the Corporations Act and for Companies Limited by Guarantee, the Company is no longer required to send a copy of the Annual Financial Report to every member, only to those who elect to receive a copy either in hard or digital format (via email).

Any member electing to receive a copy of the Annual Financial Report must do so in writing, requesting a hard or digital copy from the Chief Executive Officer, by Friday 14th September, 2018, supplying their email address, if a digital copy is requested. The election by a member to receive a copy of the Annual Financial Report will be a standing election for future financial years.

Alternatively, members may download copies of the Annual Financial Report and last years Annual General Meeting minutes from the Club's website at [www.clubforster.com.au](http://www.clubforster.com.au), which will be available for download on or after 17th September, 2018.

Members requiring clarification of any matter appertaining to the Annual Report are requested to give your question in writing to the Chief Executive Officer no later than Wednesday 17th October, 2018, so that your query can be fully considered and answered at the meeting.

Dated 31st August, 2018

By Direction of the Board

P. V. Clarke FCPA  
Chief Executive Officer/Company Secretary



## PRESIDENT'S REPORT

It's my pleasure to bring you my Annual Report for 2017/2018.

What a fantastic year it has been, recording a Net Profit of \$676,923 after consideration is made for significant disruption to business by at least 7 months of clubhouse renovations and extensions at Forster. This result was achieved on the back of sound results in all key trading areas of beverage, gaming and catering across both Club Forster and Sporties Tuncurry.

I realise that these sound trading results just do not happen. This is the result of outstanding governance, leadership, teamwork and focus by my Board, Management and Staff all of whom should be rightfully proud.

Well done, one and all!

I refer you to the Directors Review of Operations and General Manager's Report for more financial details.

The Board have completed a limited Recreational Vehicle (RV) caravan park trial at the Sporties Tuncurry. The reports from travellers to date have been fabulous! They love the fact that the area is secure, with toilet, hot showers and water whilst only costing \$5 per person per night. The Board have agreed to undertake a cost/benefit feasibility study of establishing an expanded RV facility on the eastern side of the Sports Club. I very much look forward to the study outcomes.

I am extremely pleased and proud of the terrific achievements reached so far between my Board and representatives of Forster Surf Life Saving Club in our joint efforts to build a brand new state-of-the-art surf club on Forster Main beach for all the community to enjoy. The Board lodged with the NSW Government in September, 2017 its joint proposal with Forster Surf Life Saving Club for a long-term lease of the existing Forster Surf Club land and surrounds. If successful, Club Forster in principle agrees to design, build and operate the proposed new Surf Club on the existing site. Club Forster will provide sufficient ongoing operational and capital funding to Forster Surf Life Saving Club and space for them to store and operate a state-of-the-art surf lifesaving club. In January, 2018 the NSW Government formally acknowledged and thanked both clubs for their joint lease proposal. The NSW Government advised that they are awaiting Mid Coast Councils adoption of the Forster Main Beach Masterplan which is expected in late 2018. When this occurs the NSW Government expects negotiations to recommence with both Forster Surf Life Saving Club and Club Forster in reaching an agreement for a long-term lease of the land currently occupied by Forster Surf Club. You will continue to be kept up to date on all key developments on this vitally important local community project.



Board and Management are extremely proud of the Club's generous support of our local community, again giving \$419,310 in cash and in-kind. I was particularly humbled when the Board agreed to support again the Great Lakes Women's Shelter by donating \$40,000 to ensure women and children escaping domestic violence have a safe place to go, is just one fine example of our Club's continued commitment to our community.

I would like to congratulate and thank all 19 Internal Sporting Clubs for their continued loyalty, support and patronage of our Clubs during the past twelve months. In particular, I would like to acknowledge their management committees for the professional manner in which they have administered their respective Clubs. Well done!

To Peter Clarke, General Manager and D Pettet, Assistant General Manager and the entire Management team, I thank you for your wholehearted efforts during the year. Your professional advice, service and support to the Board have greatly assisted in our Club's continued financial growth and success.

In conclusion, I thank you our members and your guests for your loyalty and support particularly during the Club Forster's period of staged building works. I look forward to catching up with you at the Club's Annual General Meeting to be held on Monday 22nd October 2018 with the doors opening at 4.45 pm and meeting commencing at 5.30 pm. Great food, refreshments and first class entertainment presented by highly acclaimed multi award winning international pianist Joey Fimmano 'Music of the Night' will follow the meeting.

**CLAIRE FLETCHER**  
**PRESIDENT**





## GENERAL MANAGER'S REPORT

It is a privilege to submit for your consideration my Annual Report on the activities of Club Forster and Sporties Tuncurry (the Group) for the year ended 30th June 2018.

After consideration is made for significant disruption to business caused by around seven months of staged clubhouse renovations and extensions at Club Forster the Group has had another solid year resulting in a consolidated Net Profit after tax of \$676,923 down \$362,823 or 34.90% when compared to \$1,039,746 last year. Consideration also needs to be made for higher costs totalling \$753,576 representing salary and wages (including other employee benefits) \$492,960, member discounts \$38,380, workers compensation insurance \$47,950, superannuation \$40,919 plus higher charges for depreciation and amortisation of \$133,367.

I refer you to the Director's Report Review of Operations for more financial performance details.

Other notable highlights for the year were:

- Revenues reached \$22.9 million up \$772,567 or 3.49%
- Cash generated from operations was \$2,699,259
- Year end accumulated cash holdings were \$2,190,153
- Investment of \$5,929,435 into buildings, plant, equipment etc.
- Repayment of \$804,239 in borrowings
- Achieved Ebitdard (Earnings before interest, tax, depreciation, amortisation, rent and donations) of 14.03% which indicate the business financial health with a result in the range of 10%-15% as considered quite sound with sufficient cash resources to maintain operations and service debt
- Finalised the Club's Strategic Business Plan 2019 Plus
- Completed Club Forster Staged 1 renovations and extensions at a cost of \$4,048,594
- Completed planning process and commenced Club Forster's Stage 2 refurbishment work in June, 2018
- Nominated for the fourth year in a row in the 2018 ClubsNSW Community Awards in the "Education" category for the Club's involvement in the establishment and ongoing support of the Better Learning, Better Communities for local aboriginal children which all represents much success during 2017-2018.

The Board have maintained their long standing support of our local community by providing cash funding of \$266,600 to 108 Community, Sporting and local schools plus in excess of \$152,710 in kind support for the year ended 30th June 2018.

Board and Management acknowledge that our Clubs are owned by the Community for the Community and will continue to provide ongoing funding that is spread as far as possible across as wide a variety of local projects and activities whilst providing the greatest tangible benefit to the social, sporting and cultural needs of the Great Lakes and surrounding communities.

Board and Management have recently endorsed and adopted its Strategic Business Plan 2019 Plus. Central to this business document is a continued positive financial outlook and success during



2018/2019 with the successful completion of staged Club house building works at Club Forster. Other objectives will be strengthening community and service positioning, quality product, continued contemporary improvements to Clubhouse facilities whilst providing a work environment that is safe and engaged.

This outstanding year has not just happened! Board, Management and staff have made it happen! I would like to take this opportunity to acknowledge and congratulate President Claire Fletcher and her Board colleagues for their achievements particularly during 2017/2018. Claire leads a robust, well-functioning Board that respect each other, trust each other, challenge each other and constructively make the tough decisions and never look back.

Furthermore, Claire ensures through her Presidential role that the Board genuinely engage with Management whilst allowing them to professionally manage the Club through high standards of governance, due diligence, strategic thinking and direction. It is for these reasons I hold my Board in the highest regard as a very successful team and are to be congratulated.

I would like to extend my sincere thanks to Darren Pettet, Assistant General Manager, my Management team and staff for their terrific teamwork, enthusiasm and positive contribution to the overall success of both Clubs during times of much change and uncertainty. I would also like to thank you, the members, for your loyalty and support of our two great Clubs – Club Forster and Sporties Tuncurry.

I advise that the 2018 Annual Report is available for download from our website at [www.clubforster.com.au](http://www.clubforster.com.au) on or after 17th September, 2018 and I ask any member who may have a question regarding my report or the financial accounts to put your question in writing at least seven days before the AGM so that we can thoroughly research your questions and provide a detailed response.

I very much look forward to continuing to achieve our Club's vision of bringing enjoyment to the lives of our members and visitors through our professional and caring approach to service whilst balancing the needs of today with the opportunities of the future.

2018/2019 will be a year of further vitally important renovations and extensions to Club Forster. The scope of this work includes the poker machine lounge, porte cochere, bottle shop, hair dressing salon, entry and reception commenced in June 2018 and will be completed in early October 2018. Otherwise the remainder of the year will be a period of business consolidation and debt reduction.

Board and Management are looking to the future with much anticipation and confidence with a strong focus and commitment on running successful Clubs in very challenging and changing times.

**P. V. CLARKE FCPA**  
**GENERAL MANAGER**



**FORSTER TUNCURRY MEMORIAL SERVICES CLUB LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ABN 65 000 919 817**

## **DIRECTORS' REPORT**

Your Directors present their report on the Company for the financial year ended 30th June, 2018.

The names of Directors in office at anytime during or since the end of the year are:

Claire E. Fletcher, Colin P. Cross, Darcy W. Cheetham, James Simons, Gail E. Stewart, Robyn M. Kirk, Paul Nicholas (Appointed 24/10/2017), Neil D. Stuckey (Appointed 24/10/2017) Peter A. Rayner (Appointed 03/08/2018), Kenneth J. Jackson (Resigned 27/07/2018), John H. Rochester (Retired 23/10/2017) & Peter E. Hall (Resigned 31/08/2017).

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 the Company during the year was that of conducting a licensed club. There has been no significant change in the nature of these activities during the year.

### **SHORT TERM OBJECTIVES**

The Club's objectives are focused on the key areas of providing strong corporate governance, excellent recreational and leisure facilities and services and the promotion of the social welfare of its members and local community. This is achieved by continuing to provide Board of Directors, management and staff with appropriate training, excellence in customer service and modern facilities. The Club operates a structured community support program with a heavy focus on local projects and activities that provide the greatest tangible benefit to the social needs of the Great Lakes Community.

### **LONG TERM OBJECTIVES**

The Club continues its long term strategy of responsible financial investment in building infrastructure and operations whilst exploring other revenue opportunities ensure the Club's ongoing financial viability and sustainability.

### **STRATEGIES FOR ACHIEVING OBJECTIVES**

The Club undertakes a number of strategies to achieve the above objectives:

- Commitment to sound Corporate Governance;
- The Board's Strategic Plan is monitored and reviewed on a regular basis;
- High level of financial support for local community and sporting organisations in accordance with the Club's Charter;
- Capital investment in all facilities to ensure they continue to meet member needs and expectations;
- Growth in revenues through an expansion of our business offerings.



## MEASUREMENT OF PERFORMANCE

The Club measures financial and operational performance using the following key indicators:

- Trading performance to budget;
- EBITDA and EBITDARD performance to industry standards;
- Cashflow Analysis;
- Department measures such as gross profit and wage percentages;
- Assessing Return on Investment regarding all expenditure;
- Members' feedback;
- Patronage into the premises;
- Mystery Shopper reviews and market research.

## OPERATING RESULTS

The profit for the year was \$676923 [2017: Profit \$1039746] after income tax expense of \$Nil [2017 \$Nil] in respect to the current, prior and deferred years. Depreciation and amortisation charged for the year was \$2118389 [2017: \$1985022].

## REVIEW OF OPERATIONS

The year in review has been a period of continued sound trading across the Group after consideration is made for significant disruption to business caused by seven months of staged clubhouse renovations and extensions at Club Forster. Revenues reached \$22897306 up \$772567 or 3.49% on the \$22124739 achieved last year. This is a terrific result!

Beverage sales (excluding Bottle Shop) were \$4038318 significantly up \$186588 or 4.84% when compared to \$3851730 last year. Forster sales were well up \$121526 or 4.97% from \$2444415 in 2017 to \$2565941 this year. Tuncurry sales were also up \$65062 or 4.62% from \$1407315 in 2017 to \$1472377 this year. This year's sales results are further reinforced by an increase in Gross Profit up \$49636 from \$2336566 in 2017 to \$2386202 this year. The Gross Profit margin of 59.09% is slightly down on last year of 60.66%. The contribution from trading has decreased by \$25218 or 2% from \$1261986 in 2017 to \$1236768 this year.

Poker Machine Revenue reached \$12023878 up \$254742 or 2.16% when compared to last year. Contribution from trading reflects slight increase of \$74132 or 1.04% from \$7151760 in 2017 to \$7225892 in 2018. Management will continue to endeavour to drive further net gaming revenue through carefully planned entertainment, continued improvements to poker machine installations with particular attention to machine denomination mix and regularly assessing and improving where necessary our customer service, comforts and hence our patrons' gaming experience.

The Group's Catering department felt the negative impact of the establishment of a new food outlet called The Tanks at Forster. Although sales were up by \$127492 or 2.98% from \$4275892 in 2017 to \$4403384 this year. The Gross Profit increased by \$86649 or 2.99%. The Gross Profit Margin was slightly down by 0.41% on 67.29% compared to 67.70% last year. Contributions from trading have returned a Net Profit of \$119585 compared to \$195040 last year, a trading contraction of \$75455 or 38.69% which still represents a reasonable result.

In particular, Forster Sales were up \$90126 or 3.07% from \$2934633 in 2017 to \$3024759 in 2018. Gross Profit was also up by \$82073 or 4.17% from \$1968226 in 2017 to \$2050299 in 2018. The Gross Profit Margin was slightly up at 66.32% in 2017 to 67.18% in 2018.



Contribution from trading was down \$78214 or 97.09% from a Net Profit of \$80562 in 2017 to \$2348 in 2018.

Tuncurry Sales were also up \$37366 or 2.79% from \$1341259 in 2017 to \$1378625 in 2018. Gross Profit again was up \$4576 or 0.49% from \$926539 in 2017 to \$931115 in 2018. The Gross Profit Margin was slightly down 1.54% from 69.08% in 2017 to 67.54% in 2018. Contribution from trading was up \$2759 or 2.41% from \$114478 in 2017 to \$117237 in 2018.

Reasonable trading results were witnessed from both Keno and TAB. Keno trading returned consolidated commissions of \$231008 down \$5263 or 2.23% on last year. Contribution from trading was down \$10566 or 7.32% from \$144431 in 2017 to \$133865 in 2018. Tab commissions received were \$74544 up \$10903 or 17.13% on last year. Contribution from trading was a Net Loss of \$82507 a contraction of \$1672 or 2.07% when compared to \$80835 last year.

Total salary and wages (including other employee benefits) paid was \$6566180 up \$492960 or 8.12% on last year. This result is satisfactory after consideration is made for increased labour levels required to support renovations and extensions at Club Forster and a 3.3% minimum wage increase handed down by Fair Work Australia in July 2017.

A review of the Club's cash flow performance indicates a positive movement of cash from operations of \$2699259 together with accumulated cash reserves of \$1692925 and proceeds from borrowings of \$4531643 enabled the Club to fund net plant, equipment and capital improvements and intangibles of \$5929435, whilst repaying borrowings of \$804239 and maintaining cash reserves of \$2190153 at 30th June 2018.

### MEMBERS GUARANTEE

In accordance with the Constitution of the Company every member of the Company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the Company during the time that he/she is a member or within one year thereafter. At the date of this report there are 12316 members (2017: 12145 members).

Director	Directors' Meetings Board Meetings		Directors' Meetings Special Meetings	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Claire E. Fletcher	12	11	4	4
Colin P. Cross	12	11	4	2
Darcy W. Cheetham	12	11	4	4
James Simons	12	12	4	4
Gail E. Stewart	12	11	4	4
Robyn M. Kirk	12	12	4	2
Paul Nicholas	9	8	2	1
Neil D. Stuckey	9	8	2	1
Kenneth J. Jackson	12	7	4	2
John H. Rochester	3	-	2	1
Peter E. Hall	2	1	2	1

The Directors also attended various sub committee meetings comprising Directors and management throughout the year.



During the year Directors were granted a leave of absence for the following periods:

Robyn M. Kirk – 26th October to 7th November 2017 & 28th February to 18th March 2018

Paul Nicholas – 28th November to 10th December 2017 & 25th to 31st January 2018

Darcy W. Cheetham – 25th to 29th March 2018

The Board consists of eleven members having an attendance record of 85.98% at regular board meetings, 72.22% at special meetings and an overall attendance of 82.52%.

## DIRECTORS QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

### Claire E. Fletcher

	President (Current)	5 years
	Director (Current)	10 years
	Vice President (Past)	3 years
Qualifications	Retired Bank Clerk	
Experience	Supervisor Armaguard Currency Management	10 years
	Pay Clerk K-Mart Forster	
	ANZ Business Bank Teller	10 years
	Committee Member Tuncurry Forster Sports Women's Bowling Club	
Special Responsibilities	Past President Forster Women's Bowling Club	
	Poker Machine, Disciplinary, House & Building and Future Development Committees	
	Sports Council Representative	
Other	Community Club Grants Representative	
	Member of Club Directors Institute – Clubs NSW	
	President ClubsNSW Southern Region	1 year
Training	Director Great Lakes Women's Shelter	3 years
	The Fair Work Act and Directors Responsibilities	
	Gaming and Twenty Something's	
	Political Landscape	
	Innovative Strategies	
	Diversifying Your Board	
	Modernising Your Constitution	
	Building Your Director Pipeline	
	Successfully Managing Change	

### Colin P. Cross

	Vice President (Current)	6 years
	Director (Current)	12 years
	Vice President (Past)	2 months
Qualifications	Retired Telstra Communications Officer	
Experience	Vice President Skipjacks Bowling Club	4 years
	Committee Cundletown Apex	3 years
Special Responsibilities	Poker Machines, Disciplinary & Future Development Committees	
	Raffle Director (Current)	
Other	Life Member Taree Race Club	
	Member of Club Directors Institute – Clubs NSW	
	Vice President ClubsNSW Southern Region	1 year
Training	Generation Next	
	Gaming and Twenty Something's	
	Political Landscape	
	Innovative Strategies	
	Diversifying Your Board	
	Modernising Your Constitution	
	Building Your Director Pipeline	
	Successfully Managing Change	
	Diversifying Your Board	



## DIRECTORS QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES CONTINUED

### Darcy W. Cheetham

	Vice President (Current)	4 years
	Director (Current)	5 years
	Director (Previous)	2 years
Qualifications	Business Proprietor	
Experience	Former President Nelson Sharks Junior Rugby League Football Club	
	Former Treasurer Nelson Sharks Junior Rugby League Football Club	
	Member Tuncurry Forster Sports Men's Bowling Club	
	Member Skipjacks Bowling Club	
Special Responsibilities	Disciplinary, Poker Machine and Future Development Committees	
Other Training	Member of Club Directors Institute – Clubs NSW	
	Food and Beverage	
	Gaming and Twenty Somethings	
	Political Landscape	
	Innovative Strategies	
	Diversifying Your Board	
	Modernising Your Constitution	

### James Simons

Qualifications	Director (Current)	6 years
Experience	Retired Tool Maker	
	Past Secretary Club Forster Skipjacks Social Bowling Club Committee	5 years
	Past Secretary Tuncurry Forster Sports Men's Bowling Club	7 years
	Returning Officer Election Board of Directors FTMSC 2010	
Special Responsibilities	Disciplinary, Poker Machine, House and Building & Future Development Committees	
	Greens Director (Current)	
Other Training	Member of Club Directors Institute – Clubs NSW	
	Generation Next	
	Food and Beverage	
	Political Landscape	
	Innovative Strategies	
	Diversifying Your Board	
	Modernising Your Constitution	
	Building Your Director Pipeline	
	Successfully Managing Change	

### Gail E. Stewart

Qualifications	Director (Current)	3 years
Experience	Semi-Retired Mortgage Business Partner	
	Audit Department Administrator with Price Waterhouse Chartered Accountants	
	Australian Government Employee	
	Australian Royal Commission Employee	
	Past President Forster Social Golf Club	2 years
	Past Secretary\Treasurer Forster Social Golf Club	4 years
Special Responsibilities	Community Club Grants & Future Developments Committee	
	Playing Member Forster Tuncurry Golf Club	



## DIRECTORS QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES CONTINUED

### Gail E. Stewart (Continued)

Other Training	Member of Club Directors Institute – Clubs NSW Generation Next The Fair Work Act and Directors Responsibilities Political Landscape Innovative Strategies Diversifying Your Board Modernising Your Constitution Building Your Director Pipeline Successfully Managing Change
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### Robyn M. Kirk

Qualifications	Director (Current)	2 years
Experience	Retired NSW Office Manager - Placard Current Vice-President Tuncurry Sporties Ladies Bowls Former Hills Barbarians Cricket Club President NSW Real Estate Bowlers Tour Co-ordinator Past Secretary Crystal Waters Residents Association	2 years 8 years 5 years 3 years
Special Responsibilities	Disciplinary and Future Development Committee Training Director (Current) Tournament Director (Current)	
Other Training	Member of Club Directors Institute – Clubs NSW Generation Next The Fair Work Act and Directors Responsibilities Political Landscape Innovative Strategies Diversifying Your Board Modernising Your Constitution Building Your Director Pipeline Successfully Managing Change	

### Paul Nicholas

Qualifications	Director (Current)	8 months
Experience	Retired Remuneration/Payroll Manager CIC Insurance Ltd Tower Australia Ltd NSW Sydney 1st Grade Cricket Umpire NSW Cricket Umpire Association Manning River District Cricket Umpirers Association CEO South Sydney Juniors Club Member South Sydney Juniors Golf Club Treasurer Club Forster Social Golf Club Member Club Forster Member Club Forster Bluewater Fishing Club Treasurer	9 years 17 years 7 years 25 years 4 years 20 years 5 years 5 years 6 years 5 years
Special Responsibilities	House & Building and Future Development Committees	
Other Training	Member of Club Directors Institute – Clubs NSW Building Your Director Pipeline Successfully Managing Change Responsible Conduct of Gaming Responsible Service of Alcohol	





## DIRECTORS QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES CONTINUED

### Neil D. Stuckey

	Director (Current)	8 months
Qualifications	Semi-Retired Food Safety Auditor	
Experience	NSW Food Authority	41 years
	Club Forster Member	15 years
	Club Forster Euchre Club Treasurer	6 years
	Gloucester Golf Club Member	20 years
	Gloucester Soldiers Club Member	20 years
	Gloucester Bowling Club Member	20 years
	Gloucester Senior & Junior Cricket Club President	5 years
	Tuncurry Sports Men's Bowling Club Member	8 years
Special Responsibilities	W.H & S & Future Development Committees	
Other	Assistant Raffle Director (Current)	
Training	Member of Club Directors Institute – Clubs NSW	
	Building Your Director Pipeline	
	Successfully Managing Change	
	Responsible Conduct of Gaming	
	Responsible Service of Alcohol	

### Kenneth J. Jackson

	Director (Current)	8 years	
Qualifications	Retired Boilermaker		
Experience	Senior Vice President and Director Alexandria Erskineville Bowling Club	3 years	
	Current President Tuncurry Forster Sporty's Travelling Bowlers	6 years	
	Past Committee Member Tuncurry Forster Sports Men's Bowling Club	4 years	
	Poker Machine & Future Development Committees		
	Tournament Director		
	Special Responsibilities	Member of Club Directors Institute – Clubs NSW	
	Other	Food and Beverage	
	Training	Gaming and Twenty Something's	
Political Landscape			
Innovative Strategies			
Diversifying Your Board			
	Modernising Your Constitution		

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out on page 28.

Signed at Forster this 31st Day of August, 2018 by Claire E. Fletcher and Colin P. Cross on behalf of the Board and in accordance with a Resolution passed by the Directors.

*Claire E. Fletcher*

**CLAIRE E. FLETCHER**  
DIRECTOR

*Colin P. Cross*

**COLIN P. CROSS**  
DIRECTOR



**FORSTER TUNCURRY MEMORIAL SERVICES CLUB LIMITED  
(A COMPANY LIMITED BY GUARANTEE)  
ABN 65 000 919 817**

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF  
FORSTER TUNCURRY  
MEMORIAL SERVICES CLUB LIMITED**

In accordance with the requirements of Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Forster Tuncurry Memorial Services Club Limited, for the year ended 30th June 2018, I declare that to the best of my knowledge and belief, there have been:

- (i) No contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012, in relation to the audit; and
- (ii) No contravention of any applicable code of professional conduct in relation to the audit.

**HARRISON, MAIN & McARTHUR  
ANDREW McARTHUR - CA  
PARTNER  
REGISTERED COMPANY AUDITOR**

**12-16 Wallis Street, Forster**

**31st August, 2018**



**FORSTER TUNCURRY MEMORIAL SERVICES CLUB LIMITED  
(A COMPANY LIMITED BY GUARANTEE)  
ABN 65 000 919 817**

**INDEPENDENT AUDITORS' REPORT**

To The Members  
Forster Tuncurry Memorial Services Club Limited

**Opinion**

We have audited the accompanying financial report of Forster Tuncurry Memorial Services Club Limited, which comprises the Statement of Financial Position as at 30th June 2018, 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, and notes to the financial statements, including a summary of significant Accounting Policies and the Directors' Declaration as set out on pages 32 to 58.

In our opinion the financial report of Forster Tuncurry Memorial Services Club Limited is in accordance with the Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- a) Giving a true and fair view of the Company's financial position as at 30th June, 2018 and of its performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

**Basis for Our Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Australian Charities and Not-for-profits Commission Act 2012, which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

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

The Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 30th June 2018, but does not include the financial report and our auditor's report thereon.



Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;



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

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**HARRISON, MAIN & McARTHUR**  
**ANDREW McARTHUR - CA**  
**PARTNER**  
**REGISTERED COMPANY AUDITOR**

**12-16 Wallis Street, Forster**

**31st August, 2018**



**FORSTER TUNCURRY MEMORIAL SERVICES CLUB LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ABN 65 000 919 817**

## **DIRECTORS' DECLARATION**

The Directors of Forster Tuncurry Memorial Services Club Limited, declare that:

1. The financial statements and notes, as set out on pages 33 to 58 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
  - (a) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Act 2012; and
  - (b) give a true and fair view of the financial position as at 30th June, 2018 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.

Signed at Forster this 31st Day of August, 2018 by Claire E. Fletcher and Colin P. Cross on behalf of the Board and in accordance with a Resolution passed by the Directors.

**CLAIRE E. FLETCHER**  
**DIRECTOR**

**COLIN P. CROSS**  
**DIRECTOR**



**FORSTER TUNCURRY MEMORIAL SERVICES CLUB LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ABN 65 000 919 817**

**STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30th June, 2018**

	Note	2018 \$	2017 \$
Revenue	2	22897306	22124739
Profit/(Loss) on Disposal of Fixed Assets	3	(15227)	86496
Changes in Inventories of Finished Goods	3	(3390399)	(3236693)
Employee Benefits Expense	3	(6566180)	(6073220)
Depreciation & Amortisation Expense	3	(2118389)	(1985022)
Bad & Doubtful Debts	3	-	(129261)
Finance Costs	3	(303057)	(260783)
Other Expenses		(9827131)	(9486510)
Profit/(Loss) Before Income Tax		676923	1039746
Income Tax Expense	1(a),4	-	-
Profit/(Loss) for the Year		676923	1039746
Other Comprehensive Income After Income Tax			
Net Gain On Revaluation of Non-Current Assets		-	-
Other Comprehensive Income for the Year, Net of Tax		-	-
Total Comprehensive Income for the Year		676923	1039746
Total Comprehensive Income Attributable to: Members of the Entity		676923	1039746

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to and forming part of the accounts set out on pages 37 to 58



**FORSTER TUNCURRY MEMORIAL SERVICES CLUB LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ABN 65 000 919 817**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30th June, 2018**

	<b>Retained Earnings \$</b>	<b>Note</b>	<b>Asset Reval'n Reserve \$</b>
Balance at 1st July, 2016	14648315	(a)	645291
Retrospective Adjustment Upon Change in Accounting Policy	-		-
Transfers to and From Reserves	-		-
Transfers to and From Retained Profits	-		-
Total Other Comprehensive Income for the Year	-		-
Profit/(Loss) Attributable to the Company	1039746		-
Balance at 30th June, 2017	15688061	(a)	645291
Balance at 1st July, 2017	15688061	(a)	645291
Retrospective Adjustment Upon Change in Accounting Policy	-		-
Transfers to and From Reserves	-		-
Transfers to and From Retained Profits	-		-
Total Other Comprehensive Income for the Year	-		-
Profit/(Loss) Attributable to the Company	676923		-
Balance at 30th June, 2018	16364984	(a)	645291

a) **Asset Revaluation Reserve**

This asset revaluation reserve records revaluations of non-current assets. There were no movements in the reserve during the current year.

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the accounts set out on pages 37 to 58.





**FORSTER TUNCURRY MEMORIAL SERVICES CLUB LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ABN 65 000 919 817**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30th June, 2018**

	<b>Note</b>	<b>2018</b> <b>\$</b>	<b>2017</b> <b>\$</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	5	2190153	1692925
Trade & Other Receivables	6	287112	204640
Inventories	7	191278	222605
Other Current Assets	8	94018	101663
<b>TOTAL CURRENT ASSETS</b>		<b>2762561</b>	<b>2221833</b>
<b>NON-CURRENT ASSETS</b>			
Deferred Tax Assets	13	-	-
Property, Plant & Equipment	9	23275768	19470242
Intangible Assets	10	935238	944944
<b>TOTAL NON-CURRENT ASSETS</b>		<b>24211006</b>	<b>20415186</b>
<b>TOTAL ASSETS</b>		<b>26973567</b>	<b>22637019</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade & Other Payables	11	1069299	1225867
Borrowings	12	841487	599235
Current Tax Liabilities	13	-	-
Short Term Provisions	14	764142	769951
Other Liabilities	15	115306	106729
<b>TOTAL CURRENT LIABILITIES</b>		<b>2790234</b>	<b>2701782</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	12	6902838	3417686
Long Term Provisions	14	126641	87425
Other Liabilities	15	95294	48489
Deferred Tax Liabilities	13	48285	48285
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>7173058</b>	<b>3601885</b>
<b>TOTAL LIABILITIES</b>		<b>9963292</b>	<b>6303667</b>
<b>NET ASSETS</b>		<b>17010275</b>	<b>16333352</b>
<b>EQUITY</b>			
Reserves		645291	645291
Retained Profits		16364984	15688061
<b>TOTAL EQUITY</b>		<b>17010275</b>	<b>16333352</b>

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the accounts set out on pages 37 to 58.



**FORSTER TUNCURRY MEMORIAL SERVICES CLUB LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ABN 65 000 919 817**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30th June, 2018**

	Note	2018 \$	2017 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from Customers		25092382	24131400
Interest Received		7519	6875
Payments to Suppliers and Employees		(22098335)	(20620952)
Finance Costs		(302307)	(260783)
		<hr/>	<hr/>
Net Cash Generated from Operating Activities		2699259	3256540
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Property, Plant & Equipment		-	128669
Payment for Intangible Assets		-	(198918)
Payment for Property, Plant & Equipment		(5929435)	(1566337)
		<hr/>	<hr/>
Net Cash used in Investing Activities		(5929435)	(1636586)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from Borrowings		4531643	1528000
Repayment of Borrowings		(781384)	(2398814)
Proceeds from Hire Purchase		-	-
Repayment Hire Purchase		(22855)	(22855)
Bond Received		-	-
		<hr/>	<hr/>
Net Cash used in Financing Activities		3727404	(893669)
<b>Net Increase/(Decrease) in Cash Held</b>		497228	726285
Cash and Cash Equivalents at 1st July 2017		1692925	966640
		<hr/>	<hr/>
<b>Cash and Cash Equivalents at 30th June 2018</b>	5	2190153	1692925
		<hr/> <hr/>	<hr/> <hr/>

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the accounts set out on pages 37 to 58.



**FORSTER TUNCURRY MEMORIAL SERVICES CLUB LIMITED  
(A COMPANY LIMITED BY GUARANTEE)  
ABN 65 000 919 817**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30th June, 2018**

The financial report is for Forster Tuncurry Memorial Services Club Limited as an individual Company, incorporated and domiciled in Australia. Forster Tuncurry Memorial Services Club Limited is a Company limited by guarantee.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012. 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 the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on the accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets (if applicable), financial assets and financial liabilities (if applicable). The amounts presented in the financial statements have been rounded to the nearest dollar. The functional and presentation currency of Forster Tuncurry Memorial Services Club Limited is Australian Dollars.

The financial statements were authorised for issue on the 31st August 2018 by the Directors of the Company.

**Accounting Policies**

**a) Income Tax**

Due to the doctrine of mutuality the Club is taxed on net income from non-members and other external sources only and accordingly taxable income does not relate to net profit as disclosed in the accounts. Current year income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items and then adjusted for the appropriate percentage applicable to non-members to determine the taxable income.

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 the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.



## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

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, based on tax rates enacted or substantively enacted at reporting date. 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 and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

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 set-off 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 legally enforceable right of set-off exists, 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.

### b) Inventories

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



## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### c) Property, Plant & Equipment

Property, plant and equipment are carried at cost or at fair value, less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of property, plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the fair value of the assets less cost to sell or the depreciable replacement cost of these assets.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour and borrowing costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

#### Depreciation

The depreciable amount of all fixed assets including buildings and leasehold improvements but excluding freehold land, are depreciated on a straight line and/or diminishing value basis over their useful lives 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.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5% to 5%
Plant and Equipment	7.5% to 40%
Bowling Greens	4%
Car Parks etc	2% to 10%
Leased Improvements	4% to 5%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

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 Comprehensive Income.

### d) Land for Sale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Borrowing costs and holding charges incurred after development is completed are expensed. Profits are brought to account on the signing of an unconditional contract of sale.



## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **e) Employee entitlements**

#### **i. Short Term Employee Benefits**

Provision is made for the Company's obligation for short term employee benefits. Short term employee benefits are benefits that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave. Short term employee benefits are measured at the (undiscounted) amount expected to be paid when the obligation is settled.

The Company's obligation for short term employee benefits is recognised as part of provisions in the Statement of Financial Position.

#### **ii. Long Term Employee Benefits**

The Company classifies employees' long service leave and certain annual leave entitlements as long term employee benefits as they are 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. Provision is made for the Company's obligation for long term employee benefits, which are measured at the present value of the expected future payments to be made to employees including future wage and salary levels and on costs. The movement in this provision is recognised on the profit or loss under employee benefits expense.

The Company's obligation for long term employee benefits is recognised as part of non-current provisions in the Statement of Financial Position unless the Company cannot defer settlement for 12 months then they are classified as current provision.

Contributions are made by the Company to employee superannuation funds and charged as an expense when incurred.

### **f) Revenue**

Revenue from the sale of goods is recognised upon delivery of goods to customers. Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Revenue is recognised net of the amount of goods and services tax (GST)

### **g) 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 Taxation 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.



## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### h) Intangibles

Computer software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It is being written off over the useful life of the software to the Company.

Poker Machine entitlements are at cost less any impairment losses. Poker machine entitlements have an indefinite life and are assessed annually for impairment.

### i) Leases

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

Finance lease are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

In accordance AASB: 116 Property Plant and Equipment, any rectification clauses in operating leases will be recognised and measured in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets, only if the probable outflow is not remote and can be reliably measured.

### j) Impairment of Assets

At the end of each reporting period, 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 or the depreciable replacement cost, 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 Comprehensive Income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset class, the Company estimates the recoverable amount of the cash generating unit to which the class of assets belong.



## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation reserve in respect to the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

Impairment testing is performed annually for intangible assets with indefinite lives.

### **k) Financial Instruments**

#### **Initial Recognition and Measurement**

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

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

#### **Classification & 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 amounts 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 calculated as:

- i. The amount at which the financial asset or liability is measured at initial recognition;
- ii. Less principal repayments;
- iii. 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 rate method;
- iv. Less any reduction for impairment.

The effective interest rate 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 through the expected life 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.

#### **Loans & 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.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after reporting date, these are included in non-current assets.





## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Held to Maturity Investments**

Held to Maturity Investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held to Maturity Investments are included in non-current assets, except for those which are expected to mature within 12 months after reporting date, these are included in current assets.

### **Financial Liabilities**

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

### **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 Company 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 expire. 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 the profit and loss.

### **Impairment**

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Statement of Comprehensive Income.

### **l) 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

### **m) Comparative Figures**

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

When the Company applies an accounting policy retrospectively, makes retrospective restatement or reclassifies items in its financial statements, a Statement of Financial Position as at the beginning of the earliest comparative period must be disclosed.

### **n) Critical Accounting Estimates and Judgements**

The Directors evaluate estimates and judgements incorporated into the financial report 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 with the Company.



## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Key Estimates – Impairment**

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

### **o) New and Revised Standards that are Effective for these Financial Statements**

An assessment of Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Company and their potential impact on the Company when adopted in future periods is discussed below:

#### **AASB 9: Financial Instruments (December 2014) and associated Amending Standards**

(applicable for annual reporting periods commencing on or after 1st January 2018)

These Standards will be applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments.

The key changes that may affect the Company on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, upfront accounting for expected credit loss and the irrevocable election to recognise gains and losses on investments in equity instruments that are held for trading in other comprehensive income.

Although the Directors anticipate that the adoption of AASB 9 will impact the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

#### **AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)**

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.



## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the Directors anticipate that the adoption of AASB 16 will impact the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

## NOTE 2 - REVENUE

	Note	2018 \$	2017 \$
<b>Operating Revenue</b>			
Turnover from Trading Activities		20837562	20269575
<b>Non-Operating Revenue</b>			
Interest Received		7519	6875
Commission Received		689798	591990
Members Subscriptions		138418	131653
Bowls Shop & Greens Fees		36619	33504
Facility Hire, Sporting Board & Child Minding		33923	40137
Telephone Receipts		-	1
Bingo and Raffle Ticket Sales		849924	820193
Entertainment Ticket Sales		217079	193460
Other Income including Advertising Sales		86464	37351
<b>TOTAL REVENUE</b>		<b>22897306</b>	<b>22124739</b>

## NOTE 3 – PROFIT/(LOSS) FOR YEAR

### a) Expenses

#### Changes in Inventories of Finished Goods

Bar – Forster & Tuncurry	1652117	1515165
Bottle shop – Forster	289230	307386
Catering – Forster & Tuncurry	1449052	1414142
	<b>3390399</b>	<b>3236693</b>

#### Depreciation and Amortisation

Buildings, Improvements, Car Parks & Greens	547768	547384
Plant and Equipment	1560915	1423490
Intangible – Software	9706	14148
	<b>2118389</b>	<b>1985022</b>

#### Finance Costs

Interest Paid	303057	260783
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#### Employee Benefits

Employee Entitlements	33407	91374
Employee Benefits	2880	4680
Staff Presentations	11221	3082
Fringe Benefits Tax	23421	11377
Salaries & Wages	6495251	5962707
	<b>6566180</b>	<b>6073220</b>



### NOTE 3 - PROFIT/(LOSS) FOR YEAR (Continued)

	Note	2018 \$	2017 \$
<b>Bad and Doubtful Debts</b>			
Trade Receivables		-	-
Doubtful Debts		-	129261
		-	129261
<b>Employee Benefits</b>			
Contributions to Defined Contribution Super Funds		596637	555718
<b>b) Significant Revenue and Expenses</b>			
Gain on Disposal of Non Current Assets		-	86496
Loss on Disposal of Non Current Assets		15227	-

### NOTE 4 - INCOME TAX EXPENSE

The components of income tax expense comprise:

Current Tax		-	-
Deferred Tax	13	-	-
Recoupment of Prior Year Tax Losses		-	-
Under/(Over) Provision in Respect of Prior Years		-	-
		-	-

The prima facie tax on profit/(loss) for the Year is reconciled to the income tax expense as follows:

Prima Facie Tax Payable on the Profit/(Loss) for the Year at 30% (2017: 30%)		203077	311924
Add:			
Tax Effect of:			
Under Provision for Income Tax in Prior Years		-	-
Non-deductible Depreciation & Amortisation		40802	36872
Fully Assessable Income		282818	252215
Non Member Expenditure		1869838	1678353
		2396535	2279364
Less:			
Tax Effect of:			
Recoupment of Prior Year Tax Losses		77313	63159
Fully Deductible Expenditure		383519	384454
Non Member Income		1935703	1831751
Movement in Deferred Accounts		-	-
Income Tax Attributable to the Company		-	-



	Note	2018 \$	2017 \$
<b>NOTE 5 – CASH &amp; CASH EQUIVALENTS</b>			
Cash on Hand		359000	339000
Cash at Bank		1831153	1353925
	5(a), 21	2190153	1692925

**(a) 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:

Cash and Cash Equivalents		2190153	1692925
Bank Overdrafts	12	-	-
		2190153	1692925

**NOTE 6 – TRADE & OTHER RECEIVABLES****Current**

Trade/Other Receivables		187482	150073
Provision for Impairment		(129261)	(129261)
		58221	20812
Other Receivables		108587	57062
Accrued Income		40994	50057
GST Receivable		79310	76709
	6(a)	287112	204640

(a) Financial assets classified as loans and receivables:

Trade & Other Receivables:

- Current		287112	204640
- Non-Current		-	-
	21	287112	204640

**NOTE 7 - INVENTORIES**

Finished Goods		191278	222605
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**NOTE 8 - OTHER ASSETS**

Prepayments		94018	101663
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**NOTE 9 – PROPERTY, PLANT & EQUIPMENT**

	Cost \$	Accum Dep'n \$	Accum Impair't Loss \$	Written Down Value \$
<b>Year Ended 30th June, 2018</b>				
Freehold Land	2488677	-	-	2488677
Buildings & Car Parks	26448578	11862663	-	14585915
Plant & Equipment	22492063	16748257	-	5743806
Motor Vehicles	382653	231283	-	151370
Bowling Greens	202849	191588	-	11261
Work in Progress Buildings	294739	-	-	294739
	542309559	29033791	-	23275768



## NOTE 9 – PROPERTY, PLANT & EQUIPMENT (Continued)

	Cost \$	Accum Dep'n \$	Accum Impair't Loss \$	Written Down Value \$
<b>Year Ended 30th June, 2017</b>				
Freehold Land	2488677	-	-	2488677
Buildings & Car Parks	2210214	11265439	-	10944775
Plant & Equipment	21121973	15552263	-	5569710
Motor Vehicles	382653	196848	-	185805
Bowling Greens	202849	182002	-	20847
Work in Progress Buildings	260428	-	-	260428
	<u>46666794</u>	<u>27196552</u>	<u>-</u>	<u>19470242</u>

### Movement in Carrying Amount of Property, Plant & Equipment

	2018 Property, Plant & Equipment \$	2017 Property, Plant & Equipment \$
Opening Written Down Value	19470242	19916946
Add: Additions	5929435	1566337
Less: Disposals	(15226)	(42167)
Less: Depreciation	(2108683)	(1970874)
Closing Written Down Value	<u>23275768</u>	<u>19470242</u>

### CORE ASSETS OF THE CLUB

The current Directors disclose under the provisions of the Registered Clubs Act that the core assets of the Club are the Clubhouse and car park at 19 Strand Street Forster (except proposed Lot 1 of the sub division of Lot 1 DP247867 and Lot 1 DP 43068), the defined licensed premises, bowling greens and car parks at 65 Beach Street Tuncurry (except Tennis Clubhouse, 6 courts and landscaped grounds)

### NOTE 10 – INTANGIBLE ASSETS

	Cost \$	Accum Amort'n/ Impair't \$	Written Down Value \$
<b>30th June, 2018</b>			
Computer Software	390925	371827	19098
Poker Machine Entitlements	916140	-	916140
	<u>1307065</u>	<u>371827</u>	<u>935238</u>
<b>30th June, 2017</b>			
Computer Software	390925	362121	28804
Poker Machine Entitlements	916140	-	916140
	<u>1307065</u>	<u>362121</u>	<u>944944</u>



## NOTE 10 – INTANGIBLE ASSETS (Continued)

### Movement in Carrying Amount of Intangible Assets

	2018 \$	2017 \$
Opening Written Down Value	944944	760174
Add: Additions	-	198918
Less: Disposals	-	-
Less: Amortisation	(9706)	(14148)
Closing Written Down Value	935238	944944

## NOTE 11 – TRADE & OTHER PAYABLES

	Note	2018 \$	2017 \$
Current			
Trade Payables		472683	635796
Sundry Payables		207423	190739
Income in Advance		11930	19017
Accrued Expenses		219185	217603
GST Payable		158078	162712
	11(a)	1069299	1225867

(a) Financial Liabilities at amortised cost classified as trade and other payables:

Trade & Other Payables			
- Current		1069299	1225867
- Non-Current		-	-
		1069299	1225867
Less Income In Advance		(11930)	(19017)
Financial Liabilities as Trade & Other Payables	21	1057369	1206850

## NOTE 12 – BORROWINGS

### Current

Better Business Loan – CBA	12(b) & (d)	629961	548000
Equipment Loan – CBA	12(b) & (e)	25594	25594
Finance Lease Liabilities	12(b) & 17	185932	25641
Loan – Department of Lands	12(b)	-	-
		841487	599235

### Non-Current

Better Business Loan – CBA	12(b) & (d)	6863676	3346994
Equipment Loan – CBA	12(b) & (e)	39162	62017
Finance Lease Liabilities	12(b) & 17	-	8675
Loan – Department of Lands	12(b)	-	-
		6902838	3417686

<b>Total Borrowings</b>	21	7744325	4016921
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**NOTE 12 – BORROWINGS (Continued)**

Note	2018 \$	2017 \$
a) Total current and non-current secured liabilities		
Better Business Loan – CBA	7493637	3894994
Equipment Loan – CBA	64756	87611
Finance Lease Liabilities	185932	34316
Loan – Department of Lands	-	-
	7744325	4016921

b) The carrying amount of current and non-current assets pledged as security are:

Buildings and Plant & Equipment	23275768	19470242
Floating Charge:		
Cash & Cash Equivalents	2190153	1692925
Trade & Other Receivables	287112	204640
Inventories	191278	222605
Other Current Assets	94018	101663
Intangible Assets	935238	944944
	26973567	22637019

c) Securities Given

i. The bank debt is secured by:

- First Registered Mortgage over Non Residential Property located at 65 Beach Street Tuncurry and 19 Strand Street Forster. First Registered Equitable Mortgage over the whole of Forster Tuncurry Memorial Services Club Ltd assets and undertakings including uncalled capital;
- Registered interest on the Personal Properties Securities Register over Toyota Courtesy Bus.

Covenants imposed by the bank are as follows:

- Annual audited financial statements provided within 120 days of end of financial year;
- Compliance certificates and management reports to be provided within 80 days of each half reporting period being the end of December and June;
- Borrowings to be lesser of 6 times EBIT or 100% of total revenue;
- Total wages will not exceed 30% of total revenue for each reporting period;
- Interest coverage ratio for each reporting period not less than 2 times;
- Net Gaming Takings on a rolling twelve month basis to be not less than \$900000;
- Borrower to ensure number of gaming machines in use is 30.

d) Approved term of funding being interest only facility till 1st October 2018 then monthly repayments commence with agreed principal reductions over the term of the facility. The better business loan is due to expire on the 15th September 2028.

e) Approved term of funding being interest and principal repayments is 10 years (120 months). The residual balance at the end of the facility is \$1776000.





## NOTE 12 – BORROWINGS (Continued)

f) The Company currently has undrawn facilities as follows:

Facility	Facility Limit \$	Amount Drawn \$	Undrawn Facility \$
Bank Overdraft – Keno (CBA)	5000	-	5000
Bank Overdraft – Keno (CBA)	3000	-	3000
Bank Overdraft – Tab (CBA)	10000	-	10000
Better Business Loan (CBA)	7493637	7493637	-
Finance Lease Liabilities (Poker Machine Distributors)	185932	185932	-
Equipment Loan (CBA)	64756	64756	-

The Club has also provided guarantees to TAB NSW of \$10000.

## NOTE 13 – INCOME TAX

	Note	2018		2017	
		\$		\$	
Income Tax		-		-	
	Opening Balance	Charged To Income	Charged Directly To Equity	Changes In Tax Rate	Closing Balance
<b>Deferred Tax Liability</b>	\$	\$	\$	\$	\$
Property, Plant & Equipment	48199	-	-	-	48199
Tax Allowance	86	-	-	-	86
<b>Balance as at 30th June 2018</b>	<b>48285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48285</b>
	Opening Balance	Charged To Income	Charged Directly To Equity	Changes In Tax Rate	Closing Balance
<b>Deferred Tax Liability</b>	\$	\$	\$	\$	\$
Property, Plant & Equipment	48199	-	-	-	48199
Tax Allowance	86	-	-	-	86
<b>Balance as at 30th June 2017</b>	<b>48285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48285</b>

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(a) occur:

Temporary Differences \$88041 (2017: \$78069)

Tax Losses: Operating Losses \$42256 (2017: \$119569)

## NOTE 14 – PROVISIONS

	Annual & Sick Leave Prov'n \$	Long Service Leave Prov'n \$	Total \$
Opening Balance at 1st July 2017	452165	405211	857376
Additional provisions raised during year	359794	72853	432647
Amounts used	(352957)	(46283)	(399240)
<b>Balance at 30th June 2018</b>	<b>459002</b>	<b>431781</b>	<b>890783</b>



## NOTE 14 – PROVISIONS (Continued)

### Analysis of Total Provisions

	Note	2018 \$	2017 \$
<b>Current</b>			
Annual Leave		418287	411450
Sick Leave		40715	40715
Long Service Leave		305140	317786
		<hr/>	<hr/>
		764142	769951
<b>Non-Current</b>			
Long Service Leave		126641	87425

### Provision for Long Service Leave

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1(e) of the financial statements.

## NOTE 15 – OTHER LIABILITIES

	Note	2018 \$	2017 \$
<b>Current</b>			
Subscriptions in Advance		114170	106729
Prepaid Lease Sub Branch		1136	-
		<hr/>	<hr/>
		115306	106729
<b>Non-Current</b>			
Subscriptions in Advance		50976	48489
Prepaid Lease Sub Branch		44318	-
		<hr/>	<hr/>
		95294	48489

## NOTE 16 - CONTINGENT LIABILITIES & ASSETS

### Contingent Liability - Mortality Benefits

A contingent liability exists for certain members whose membership entitles next of kin to mortality benefits upon the death of the member. The total contingent liability is estimated at \$37000 (2017: \$37000).

### Contingent Liability – Poker Machine Jackpots

The Club has a contingent liability at the 30th June 2018 being the payment of poker machine jackpots accrued. The payment of the jackpot is contingent upon the winning combination being spun or upon the decommissioning of a machine which is not replaced and/or the jackpot accrued not being transferred to another machine. The potential liability is \$161643 at Club Forster and \$47457 at the Sporties.

### Contingent Asset – Development Fund

A contingent asset exists being the maintenance of a promotional fund by Carlton United Breweries under the current trading agreement. Under the agreement between the Club and Carlton United Breweries an amount is set aside based on the litres purchased by the Club to be used on promotional activity agreed to by both parties. The maintenance of the fund is contingent upon a valid trading agreement between the Club and Carlton United Breweries remaining in place. The balance of the fund at the 30th June 2018 is \$17000 (2017: \$11087).



## NOTE 17 – LEASING, CAPITAL & OTHER COMMITMENTS

### Operating Lease Commitments

#### Paging System

The Club entered into an agreement in August 2014 for a four year period with Jtech Australia Pty Ltd, to lease a customer & club paging system for both Forster and Tuncurry catering. The amount payable under the agreement is \$841 per month excluding GST.

Non-cancellable operating leases contracted for but not capitalised in the financial statements and other rental liabilities of the Club are as follows:

	Note	2018 \$	2017 \$
Payables – Minimum Lease Payments			
Not Later Than 12 months		-	1682
Later Than 12 months but			
Not Later Than 2 years		-	-
Later Than 2 years but			
Not Later Than 5 years		-	-
Later Than 5 Years		-	-

#### Capital Commitments

The Club has one material capital commitments at the 30th June 2018:

1. The engagement of Club Projects Newcastle Pty Ltd for the management and construction of Stage 2 renovations works at Club Forster which include the poker machine lounge, porte-cochere and entry/reception. The cost of the contracted works which commenced in June 2018 and to be finished in October 2018 is \$2398396. At the 30th June 2018 the balance outstanding on the contract is \$2342636.

### Finance Lease Commitments

#### Poker Machine Licence Rental

The Club entered into agreements to rent in total eight game licences granted by Aristocrat Technologies Australia Pty Ltd, Ainsworth Game Technology, Aruze and IGT Australia Pty Ltd for a period of 12 months.

	Note	2018 \$	2017 \$
Payables – Minimum Lease Payments			
Not Later Than 12 months		185932	25641
Later Than 12 months but			
Not Later Than 2 years		-	8675
Later Than 2 years but			
Not Later Than 5 years		-	-
Later Than 5 Years		-	-
Minimum Lease Payments		185932	34316
Less: Future Finance Charges		-	-
		<hr/>	<hr/>
		185932	34316



### Club Grants Commitment

As part of the Community Welfare, Community Development, Social Services and Employment Assistance Scheme the Club has committed to donate funds to various organisations that fall under either, Category 1, Category 2 or Category 3 as required by the NSW Office of Liquor, Gaming and Racing. The amount calculated is 2.25% of the total metered profit for the year ended 31st August 2018 at both Club Forster and the Sporties. At the 31st May 2018 the club had committed to donate approximately \$130150, with the majority of this commitment to be expended in the months of July and August 2018.

### Licence Commitments

A licence agreement with the former Great Lakes Council was entered into on the 6th April, 1999 for the term of 20 years. The Council has calculated the market rental of the land to be five annual instalments of \$12000 followed by 15 annual instalments of \$1 until termination of the licence.

### NOTE 18 - SUPERANNUATION COMMITMENT

The Company is committed to paying superannuation for all employees who fall within the ambit of the Superannuation Guarantee Legislation. Contributions are calculated as a percentage of employees' ordinary wages under the definition of ordinary time's earnings under the current Enterprise Agreement.

### NOTE 19 – KEY MANAGEMENT PERSONNEL COMPENSATION

At the 30th June, 2018 the Company had fourteen current and three former key management personnel including Directors of the Company.

#### Compensation Paid to Key Management Personnel (Excluding Directors)

	Short Term Benefits \$	Long Term Benefits \$	Post Employ Benefits \$	TOTAL \$
<b>2018</b>				
Total Compensation	785348	65923	64404	915675
<b>2017</b>				
Total Compensation	678600	60740	54270	793610

#### Compensation Paid to Key Management Personnel (Directors)

	Short Term Benefits \$	Long Term Benefits \$	Post Employ Benefits \$	TOTAL \$
<b>2018</b>				
Total Compensation	61000	-	-	61000
<b>2017</b>				
Total Compensation	62000	-	-	62000



## **NOTE 20 – 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.

Transactions with related parties:

- a) Close Family Member of Key Management Personnel**  
A partner of one of the key management personnel, Ms Jessie Nicholls was employed by the Club. Total compensation received during the year was \$53010.
- b) Close Family Member of Key Management Personnel**  
A son of one of the key management personnel, Mr Andrew Clarke was employed by the Club. Total compensation received during the year was \$16955.
- c) Close Family Member of Key Management Personnel**  
A son of one of the key management personnel, Mr Mitchell Clarke was employed by the Club. Total compensation received during the year was \$48602.
- d) Close Family Member of Key Management Personnel**  
A daughter of one of the key management personnel, Miss Renee Pettet was employed by the Club. Total compensation received during the year was \$5620.
- e) Close Family Member of Key Management Personnel**  
A granddaughter of one of the key management personnel, Miss Lily Anne Fletcher was employed by the Club. Total compensation received during the year was \$5950.
- f) Close Family Member of Key Management Personnel**  
A wife of one of the key management personnel, Mrs Michelle Venuto was employed by the Club. Total compensation received during the year was \$38136.
- g) Transactions between the Club and an Entity Controlled by Key Management Personnel**  
Warmula Pty Ltd trading as Foree Vending has an agreement to pay commission to the club for the placement of confectionery machines on the club premises. Warmula Pty Ltd is controlled by Mr Darcy Cheetham a current Director of the club. The total commission paid to the club for the year ended 30th June 2018 was \$4815 which included an amount outstanding at the 30th June 2018 of \$1200.



## NOTE 21 – FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable and borrowings from financial and non financial institutions.

The Company does not have any derivative instruments at the 30th June, 2018.

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	2018 Carrying Value \$	2018 Net Fair Value \$	2017 Carrying Value \$	2017 Net Fair Value \$
<b>Financial Assets</b>					
Cash & Cash Equivalents	5	2190153	2190153	1692925	1692925
Loans & Receivables	6	287112	287112	204640	204640
<b>Total Financial Assets</b>		<b>2477265</b>	<b>2477265</b>	<b>1897565</b>	<b>1897565</b>
<b>Financial Liabilities</b>					
Financial liabilities at amortised cost:					
Trade & Other Payables	11(a)	1057369	1057369	1206850	1206850
Borrowings	12	7744325	7744325	4016921	4016921
<b>Total Financial Liabilities</b>		<b>8801694</b>	<b>8801694</b>	<b>5223771</b>	<b>5223771</b>

### Net Fair Values

#### *Fair Value Estimation*

The fair values of financial assets and financial liabilities are presented in the table at the beginning of Note 21 and can be compared to their carrying value as presented in the Statement of Financial Position. Fair value is determined in accordance with the accounting policy at Note 1(k) in the Financial Statements and Notes.

The fair values disclosed in the table at the beginning of Note 21 have been determined on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value.
- (ii) Borrowings fair values are determined using discounted cash flow model incorporating current commercial borrowing rates. The fair values of fixed rate bank debt will not differ materially to their carrying value.

### Financial Instruments Measured at fair Value

There are no financial instruments that need to be recognised at fair value in the Statement of Financial Position using the fair value hierarchy as outlined in AASB 7.



## NOTE 22 – EVENTS AFTER THE REPORTING DATE

### Events after the Reporting Date

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 except for:

1. The resignation of Mr Kenneth Jackson as a Director of the Club on the 27th July 2018;
2. The appointment of Mr Peter Rayner as a Director of the Club on the 3rd August 2018;
3. The lodgement of an application with the Commonwealth Bank Ltd for a temporary overdraft facility of \$500000 for a period of 180 days. At the date of this report the bank is still reviewing the application.

### Future Developments

Apart from any matters outlined below, it is proposed to continue Company operations in a similar manner to the past financial year, with focus being on reduction of the Club's expenditure and the undertaking of improvements, wherever possible and within the constraints of available funds.

1. The Board have decided in the medium term to defer its investigation and assessment of the commercial options available for the proposed resort development at Club Forster in light of existing poor property sales outlook. However, the Board in 2016/2017 year activated this development application (DA) by addressing certain Great Lakes Council agreed DA conditions. No further work is expected to be carried out until after the completion of a property market feasibility;
2. The Club lodged an application in 2006 to acquire the remaining parcel of land (Part Crown Reserve 96632) at Tuncurry owned by the Land and Property Management Authority (LMPA). This application has been delayed due to a rezoning proposal currently being developed following the signing of a Native Title Agreement between the traditional owners, the Worimi and Biripai People of Forster Tuncurry and the NSW government in late 2010. The Club has since expressed interest with Urban Growth NSW to acquire this parcel of land. The club is unclear on when the determination for rezoning of the North Tuncurry Development Project will be completed;
3. Club Forster continues to undergo vitally important staged clubhouse renovations and extensions. The scope of works includes the façade, Porte-cochere, entry/reception, hairdressing salon, bottle shop, gaming and Neptune's lounge. This stage 2 work is expected to be completed by early October 2018. Stage 3 work to include an alfresco dining and Tabatinga Family Fun Centre is yet to be confirmed when this will commence;



#### **NOTE 22 – EVENTS AFTER THE REPORTING DATE (Continued)**

4. Following a successful 17 month trial of a limited Recreational Vehicle (RV) caravan park at Tuncurry the Board have agreed to undertake a cost/benefit feasibility study of establishing an expanded RV facility on the eastern side of the Sports Club. This study is yet to be commissioned;
5. The Board lodged with the NSW Government in September 2017 its joint proposal with Forster Surf Life Saving Club for a long-term lease of the existing Forster Surf Club land and surrounds. If successful, Club Forster in principle agrees to design, build and operate the proposed new Surf Club on the existing site. Club Forster will provide sufficient ongoing operational and capital funding to Forster Surf Life Saving Club and space for them to store and operate a state-of-the-art surf lifesaving club. In January 2018 the NSW Government formally acknowledged and thanked both clubs for their joint lease proposal. The NSW Government advised that they are awaiting Mid Coast Councils adoption of the Forster Main Beach Masterplan which is expected in late 2018. When this occurs the NSW Government expects negotiations to recommence with both Forster Surf Life Saving Club and Club Forster in reaching an agreement for a long-term lease of the land currently occupied by Forster Surf Club.

#### **NOTE 23 – ENTITY DETAILS**

The registered office of the company is:

Forster Tuncurry Memorial Services Club Ltd  
Trading As Club Forster  
19 Strand Street  
Forster NSW 2428

The principal places of business are:

Forster Tuncurry Memorial Services Club Ltd  
Trading As Club Forster  
19 Strand Street  
Forster NSW 2428

Forster Tuncurry Memorial Services Club Ltd  
Trading As Sporties Tuncurry  
65 Beach Street  
Tuncurry NSW 2428

#### **NOTE 24 - MEMBERS GUARANTEE**

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. In accordance with the Constitution of the Company every member of the Company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the Company during the time that he/she is a member or within one year thereafter. At the date of this report there are 12316 members (2017: 12145 members).