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CLUB MACQUARIE LIMITED  
ABN 29 315 070 885

Summary Financial Report  
For the Year Ended  
30 June 2019

The financial statements and other specific disclosures have been derived from Club Macquarie Limited's (the Club's) full financial statements for the financial year. Other information included in the Summary Financial Statements is consistent with the Club's full financial statements.

The Summary Financial Statements do not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Club as the full financial statements.

A copy of the Club's 2019 full financial statements, including the independent audit report, is available to all members and will be sent to members without charge upon request.

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# Club Macquarie Limited

ABN 29 315 070 855

## Directors' Report

30 June 2019

Your Directors present their report on Club Macquarie Limited for the financial year ended 30 June 2019.

### Directors

The names of the Directors in office at any time during, or since the end of, the year are:

<b>Name</b>	<b>Position</b>	<b>Occupation</b>	<b>Years Service</b>
G. R. Ford	President	Retired	25
G. Shepherd	Vice President	Electrician	11
G. Clack	Director	Retired	29
L. Peterson	Director	Retired	27
B. Stanbridge	Director	Retired	18
K. Robertson	Director	Retired	Appointed 19/06/19
C. Moore	-	-	Resigned 19/02/19

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

### Club secretary

The following person held the position of Club secretary at the end of the financial year:

Mr Bernard McCarthy who is also the Chief Executive Officer of the Club has been the Club secretary since 20 April 2006.

### Members guarantee

Club Macquarie Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the Club, the amount capable of being called up from each member and any person who ceased to be a member in the year prior to the winding up, is limited to \$1 for all members, subject to the provisions of the Club's constitution.

At 30 June 2019 the collective liability of members was \$ 6,529 (2018: \$ 6,182).

### Principal activities

The principal activity of Club Macquarie Limited during the financial year was the conduct of a Licensed Club.

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

### Operating results

The loss of the Club after providing for income tax amounted to \$ 504,608 (2018: a loss of \$172,549).

# Club Macquarie Limited

ABN 29 315 070 855

## Directors' Report

30 June 2019

### Review of operations

Gross profit from bar trading amounted to \$627,626 and gross profit percentage of 64% was obtained from sales of \$981,731.

Gross profit from catering trading amounted to \$310,683 and gross profit percentage of 63% was obtained from sales of \$492,426.

Net gaming revenue amounted to \$2,803,235 and compares with \$3,254,151 in 2018.

Net operating profit from Macquarie Inn amounted to \$451,371 and compares with \$357,422 in 2018.

The following table outlines the Club's profit after the add back of depreciation and also shows the Club's EBITDA performance as a percentage of revenue.

	2019 \$	2018 \$
Reported operating profit / (loss) after tax	(504,608)	(172,549)
Add back: depreciation	938,156	939,514
<b>Operating profit / (loss) before depreciation</b>	<b>433,548</b>	<b>766,965</b>
Add back: (profit) / loss on sale of non-current assets	(2,189)	289
Less: interest received	(22,196)	(13,010)
Add back: income tax expense / (benefit)	339	11,704
Add back: borrowing costs	21,409	21,050
<b>EBITDA</b>	<b>430,911</b>	<b>786,998</b>
<b>Total Revenue</b>	<b>5,937,730</b>	<b>5,682,201</b>
<b>EBITDA % of Revenue</b>	<b>7.26%</b>	<b>13.85%</b>

### Meetings of Directors

During the financial year, 12 meetings of Directors were held. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
G. R. Ford	12	12
G. Shepherd	12	11
G. Clack	12	12
L. Peterson	12	11
B. Stanbridge	12	11
K. Robertson      Appointed 19/06/19	1	1
C. Moore             Resigned 19/02/19	7	2

### Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Club during the year.

# Club Macquarie Limited

ABN 29 315 070 855

## Directors' Report

30 June 2019

### After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

### Environmental issues

The Club's operations are subject to environmental regulations under the laws of the Commonwealth and State of Australia. The Directors are not aware of any breaches of the legislation during the financial year which are material in nature.

### Short and long term objectives

The Club has established short and long term objectives as outlined in the Club's business plan which is reviewed on an annual basis. These objectives are both financial and non financial and are aimed towards providing a comfortable and secure environment to its members that continues to meet their needs. These objectives are measured through both financial and non financial key performance indicators that have been determined relevant to the Club industry. No information is included on the likely developments in the operations of the Club and the expected results of those operations.

### Disclosure of Core and Non-Core Property

Pursuant to Section 41J(2) of the Registered Clubs Act 1976 and for the financial year ended 30 June 2019, the Directors have determined that the property of the Club shall be classified as follows:

Address	Current Usage	Classification
458 Lake Road, Argenton NSW 2284	Club Premises	Core
Unit 15, 15 Bidjigal Road, Arncliffe NSW 2205	Investment Property	Non-Core

### Auditors independence declaration

The lead auditors independence declaration for the year ended 30 June 2019 has been received and can be found on page 5 of the financial report.

### Indemnification and insurance of officers

The Club has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Club, other than conduct involving a wilful breach of duty in relation to the Club.

### Mandatory Director Training

Under the Registered Clubs Amendment (Disclosures) Regulation 2019, the Club is required to disclose to its members certain information relating to mandatory training requirements undertaken by Directors. As the Club has annual gaming machine profits of more than \$1 million, the Regulation prescribes that all Directors must complete their mandatory training within 12 months of appointment unless otherwise exempt.

The Board has deemed five Directors, G. R. Ford, G. Shepherd, G. Clack, L. Peterson and B Stanbridge exempt based on time served on the Club's board prior to 30 June 2013. Director K. Robertson has not completed the mandatory training requirements.

# Club Macquarie Limited

ABN 29 315 070 855

## Directors' Report

30 June 2019

### Directors emoluments

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Club, with a Director, a firm of which the Director is a member or an entity in which the Director has a substantial financial interest except for those disclosed in note 17 of the full financial statements.

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

Director: ..... 

Director: ..... 

Dated 21 August 2019

# Club Macquarie Limited

ABN 29 315 070 855

## Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Club Macquarie Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

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

Cutcher & Neale Assurance Pty Limited  
(An authorised audit company)



N. Nancarrow CA  
Director

14 August 2019

NEWCASTLE

# Club Macquarie Limited

ABN 29 315 070 855

## Independent Audit Report to the members of Club Macquarie Limited

### Report on the Audit of the Financial Report

#### *Opinion*

The summary financial statements, which comprise the summary statement of financial position as at 30 June 2019, the summary statement of profit or loss and other comprehensive income, the summary statement of changes in equity, the summary statement of cash flows, discussion and analysis of the financial statements and the Directors Declaration for the year then ended, and related notes, are derived from the audited financial report of Club Macquarie Limited for the year ended 30 June 2019.

In our opinion, the accompanying summary financial statements are consistent, in all material respects with the audited financial statements, on the basis described in Note 1.

#### *Summary Financial Statements*

The summary financial statements do not contain all the disclosures required by Australian Accounting Standards – Reduced Disclosure Requirements. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and auditor's report thereon.

#### *The Audited Financial Report and Our Report Thereon*

We expressed an unmodified audit opinion on the audited financial report in our report dated 22 August 2019.

#### *Directors' Responsibility for the Summary Financial Statements*

The Directors are responsible for the preparation of the summary financial statements on the basis described in Note 1.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial report based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

Cutcher & Neale Assurance Pty Limited  
(An authorised audit company)



N. Nancarrow CA  
Director

22 August 2019

NEWCASTLE



# Club Macquarie Limited

ABN 29 315 070 855

## Directors' Declaration

The Directors of the Club Macquarie Limited declare that the summary financial statements of Club Macquarie Limited for the financial year ended 30 June 2019, as set out on pages 8 to 14:

- (a) comply with Accounting policies as described in Note 1; and
- (b) have been derived from and are consistent with the full financial statements of Club Macquarie Limited.

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

Director .....



Director .....



Dated 21 August 2019

# Club Macquarie Limited

ABN 29 315 070 855

## Summary Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Bar sales		981,731	901,915
Less: Bar cost of goods sold		(354,105)	(354,191)
Catering Sales		492,426	-
Less: Catering cost of goods sold		(181,743)	-
Gross profit		938,309	547,724
Gaming machine net clearances		2,803,235	3,254,151
Keno and TAB commissions		56,639	62,657
Raffles and bingo revenue		236,497	247,816
Motel revenue		1,011,105	863,603
Functions revenue		156,273	167,495
Other revenue from contracts with customers	2	20,375	19,990
Other revenue from ordinary activities	2	179,449	164,574
Borrowing cost expense		(21,409)	(21,050)
Bar trading expense		(153,666)	(165,949)
Catering trading expense		(335,423)	-
Function trading expense		(20,019)	(27,447)
Gaming machine trading expense		(718,004)	(862,880)
Keno and TAB expense		(87,803)	(97,592)
Raffle and bingo expense		(270,253)	(310,323)
Occupancy expense		(643,208)	(662,519)
Club promotion and entertainment expense		(336,573)	(285,171)
Motel trading expenses		(559,734)	(506,181)
Depreciation of property plant and equipment		(938,156)	(939,514)
Investment property expenses		(5,394)	(6,100)
Administrative expenses		(1,818,648)	(1,603,840)
Other expenses		2,139	(289)
<b>Profit / (loss) before income tax</b>		<b>(504,269)</b>	<b>(160,845)</b>
Income tax (expense)/benefit		(339)	(11,704)
<b>Profit / (loss) after income tax</b>		<b>(504,608)</b>	<b>(172,549)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income / (loss)</b>		<b>(504,608)</b>	<b>(172,549)</b>

The accompanying notes form part of these financial statements.

# Club Macquarie Limited

ABN 29 315 070 855

## Summary Statement of Financial Position As At 30 June 2019

	2019 \$	2018 \$
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	1,360,845	1,719,673
Trade and other receivables	77,934	64,167
Inventories	64,822	44,812
Other assets	68,339	100,381
<b>TOTAL CURRENT ASSETS</b>	<b>1,571,940</b>	<b>1,929,033</b>
NON-CURRENT ASSETS		
Property, plant and equipment	8,338,137	8,526,921
Investment property	831,029	831,029
Intangible assets	162,684	162,684
Deferred tax assets	73,633	73,972
<b>TOTAL NON-CURRENT ASSETS</b>	<b>9,405,483</b>	<b>9,594,606</b>
<b>TOTAL ASSETS</b>	<b>10,977,423</b>	<b>11,523,639</b>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Trade and other payables	477,891	454,852
Short-term borrowings	7,202	7,299
Short-term provisions	236,590	272,541
Other liabilities	102,882	128,733
<b>TOTAL CURRENT LIABILITIES</b>	<b>824,565</b>	<b>863,425</b>
NON-CURRENT LIABILITIES		
Long-term borrowings	394,646	400,795
Long-term provisions	29,384	25,983
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>424,030</b>	<b>426,778</b>
<b>TOTAL LIABILITIES</b>	<b>1,248,595</b>	<b>1,290,203</b>
<b>NET ASSETS</b>	<b>9,728,828</b>	<b>10,233,436</b>
<b>EQUITY</b>		
Retained earnings	9,728,828	10,233,436
<b>TOTAL EQUITY</b>	<b>9,728,828</b>	<b>10,233,436</b>

The accompanying notes form part of these financial statements.

# Club Macquarie Limited

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## Summary Statement of Changes in Equity For the Year Ended 30 June 2019

2019

	Retained Earnings	Total
	\$	\$
<b>Balance at 1 July 2018</b>	<b>10,233,436</b>	<b>10,233,436</b>
Total comprehensive income / (loss)	<u>(504,608)</u>	<u>(504,608)</u>
<b>Balance at 30 June 2019</b>	<b><u>9,728,828</u></b>	<b><u>9,728,828</u></b>

2018

	Retained Earnings	Total
	\$	\$
<b>Balance at 1 July 2017</b>	<b>10,405,985</b>	<b>10,405,985</b>
Total comprehensive income / (loss)	<u>(172,549)</u>	<u>(172,549)</u>
<b>Balance at 30 June 2018</b>	<b><u>10,233,436</u></b>	<b><u>10,233,436</u></b>

The accompanying notes form part of these financial statements.

# Club Macquarie Limited

ABN 29 315 070 855

## Summary Statement of Cash Flows For the Year Ended 30 June 2019

	2019	2018
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	6,413,722	6,198,759
Interest received	22,196	13,010
Payments to suppliers and employees	(6,019,858)	(5,402,523)
Borrowing costs	(21,409)	(21,050)
Net cash provided by (used in) operating activities	<u>394,651</u>	<u>788,196</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payment for Property, Plant & Equipment	(763,233)	(470,168)
Proceeds from sale of Property, Plant & Equipment	16,000	-
Net cash used by investing activities	<u>(747,233)</u>	<u>(470,168)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of borrowings	(6,246)	(7,078)
Net cash used by financing activities	<u>(6,246)</u>	<u>(7,078)</u>
Net increase / (decrease) in cash and cash equivalents held	(358,828)	310,950
Cash and cash equivalents at beginning of year	<u>1,719,673</u>	<u>1,408,723</u>
Cash and cash equivalents at end of financial year	<u><u>1,360,845</u></u>	<u><u>1,719,673</u></u>

The accompanying notes form part of these financial statements.

# Club Macquarie Limited

ABN 29 315 070 855

## Notes to the Financial Statements For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies

The Summary financial statements have been prepared from the audited financial report of Club Macquarie Limited for the year ended 30 June 2019. The audited report for the year ended 30 June 2019 is available at request from Club Macquarie Limited.

The financial statements, specific disclosures and the other information included in the summary financial statements are derived from and are consistent with the full financial statements of Club Macquarie Limited. The summary financial statements cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Club Macquarie Limited as the full financial statements.

The accounting policies have been consistently applied to Club Macquarie Limited and are consistent with those of the previous financial year in their entirety.

### 2 Revenue

	2019 \$	2018 \$
Revenue from contracts with customers		
- Trading revenue	5,737,906	5,497,637
Other revenue from contracts with customers		
- Membership subscriptions	20,375	19,990
Total other revenue from contracts with customers	20,375	19,990
Total revenue from contracts with customers	5,758,281	5,517,627
Other revenue from ordinary activities		
- Interest income	22,196	13,010
- Commissions received	42,400	44,183
- Investment property income	37,516	37,332
- Rent received - Restaurant	18,454	32,501
- Rebate for GST on gaming machine duty	17,180	17,180
- Grant income	32,727	-
- Other income	8,976	20,368
Total other revenue from ordinary activities	179,449	164,574
<b>Total Revenue</b>	<b>5,937,730</b>	<b>5,682,201</b>

# Club Macquarie Limited

ABN 29 315 070 855

## Notes to the Financial Statements For the Year Ended 30 June 2019

### Information on Club Macquarie Limited Summary Financial Statements

The financial statements, disclosures and discussion and analysis in the summary financial statements have been derived from the 2019 financial statements of Club Macquarie Limited.

A copy of the full financial statements and auditors report will be sent to any member, free of charge, upon request. The summary financial statements cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial statements.

The discussion and analysis is provided to assist members in understanding the summary financial statements.

### Summary Statement of Profit and Loss and Other Comprehensive Income

The Club has reported an operating loss after tax of \$504,608 for the year ended 30 June 2019 compared to an operating loss after tax of \$172,549 in 2018.

The decrease in this year's result reflects a significant decrease in gaming machine revenue and increase in operating expenses, partially offset by an increase in bar and motel revenue.

It is also noted that the Club took over catering operations from 21 January 2019. Catering sales from this date to 30 June 2019 totaled \$492k with gross profit of \$310k. Catering expenses totaled \$335k resulting in a loss of \$25k.

### Summary Statement of Financial Position

The main changes in assets and liabilities included:

Cash and cash equivalents decreased by \$359k due to the purchase of plant and equipment this year, and a decrease in cashflows from operating activities.

Inventories have increased \$20k with the inclusion of catering stock at 30 June 2019.

Property, plant and equipment decreased by \$189k, which is the net difference between additions, disposals and depreciation for the year. Capital additions totaled \$763k for the year and depreciation expenditure was \$938k.

# Club Macquarie Limited

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## Notes to the Financial Statements For the Year Ended 30 June 2019

### Summary Statement of Changes in Equity

The equity of the Club has decreased entirely due to the reported loss result of \$504,608.

### Summary Statement of Cashflows

The Club's cash position has decreased by \$359k from 2018.

Operating cash inflows have decreased by \$394k compared to 2018, mostly as a result of a decrease in gaming revenue this year and an increase in operating expenses.

Investing cash outflows have decreased \$277k this year due to an increase in asset purchases made this year compared to 2018. This year's asset purchases include:

- bistro refurbishment
- new beds in motel
- gaming stools
- kids playground
- gaming machines
- food truck

Financing cash outflows this year relate to repayments made on the existing investment property loan.

### Operating Activities

Net cash inflows from operating activities were \$394,651 compared to \$788,196 in the previous year and is down due to an increase in payments to suppliers.

### Investing Activities

Net cash invested in the Club premises and equipment during the year totalled \$747,233.

### Financing Activities

Net cash outflows from financing activities were \$6,246 and relate to the repayments of an existing loan facility.