



CLUB MACQUARIE LIMITED  
ABN 29 315 070 885

Summary Financial Report  
For the Year Ended  
30 June 2017

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 2017 full financial statements, including the independent audit report, is available to all members and will be sent to members without charge upon request.

## CONTENTS

Directors' Report.....	1
Auditor's Independence Declaration.....	4
Independent Audit Report.....	5
Directors' Declaration.....	6
Summary Statement of Profit or Loss and Other Comprehensive Income.....	7
Summary Statement of Financial Position.....	8
Summary Statement of Changes in Equity.....	9
Summary Statement of Cash Flows.....	10
Notes to the Summary Financial Statements.....	11
Discussion and Analysis of the Summary Financial Statements.....	12

# Club Macquarie Limited

ABN 29 315 070 855

## Directors' Report

30 June 2017

Your directors present their report on Club Macquarie Limited for the financial year ended 30 June 2017.

### 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	23
G. Shepherd	Senior Vice President	Electrician	9
G. Clack	Junior Vice President	Retired	27
L. Peterson	Director	Retired	25
C. Moore	Director	Retired	21
B. Stanbridge	Director	Retired	16

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 2017 the collective liability of members was \$ 4,263 (2016: \$ 4,671).

### 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 \$393,922 (2016: a loss of \$514,112).

# Club Macquarie Limited

ABN 29 315 070 855

## Directors' Report

30 June 2017

### Review of operations

Gross profit from bar trading amounted to \$488,250 and gross profit percentage of 59% was obtained from sales of \$831,802.

Net gaming revenue amounted to \$2,977,747 and compares with \$3,155,188 in 2016.

Net operating profit from Macquarie Inn amounted to \$296,648 and compares with \$261,509 in 2016.

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.

	2017 \$	2016 \$
Reported operating profit / (loss) after tax	(393,922)	(514,112)
Add back: depreciation	991,433	1,056,573
<b>Operating profit / (loss) before depreciation</b>	<b>597,511</b>	<b>542,461</b>
Add back: income tax expense / (benefit)	(3,158)	(1,244)
Add back: borrowing costs	19,705	14,127
<b>EBITDA</b>	<b>614,058</b>	<b>555,344</b>
<b>Total Revenue</b>	<b>5,173,253</b>	<b>5,185,631</b>
<b>EBITDA % of Revenue</b>	<b>11.87%</b>	<b>10.71%</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	12
G. Clack	12	12
L. Peterson	12	9
C. Moore	12	12
B. Stanbridge	12	10

### Significant changes in state of affairs

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

### 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.

# Club Macquarie Limited

ABN 29 315 070 855

## Directors' Report

30 June 2017

### 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 2017, 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 2017 has been received and can be found on page 4 of the financial report.

### Indemnification and insurance of officers

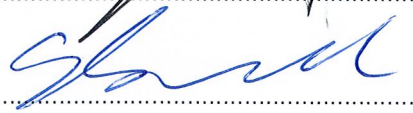
The club has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Club, other than conduct involving a wilful breach of duty in relation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

### 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 18 of the full financial statements.

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

Director: 

Director: 

Dated 23 August 2017

# 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 2017, 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

16 August 2017

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 2017, 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 2017.

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 24 August 2017.

#### *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

24 August 2017

NEWCASTLE



# Club Macquarie Limited

ABN 29 315 070 855

## Directors' Declaration

The Directors of Club Macquarie Limited declare that the summary financial statements of Club Macquarie Limited for the financial year ended 30 June 2017, as set out on pages 7 to 13:

- (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 23 August 2017



# Club Macquarie Limited

ABN 29 315 070 855

## Summary Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
Bar sales		831,802	788,560
Less Bar cost of goods sold		(343,552)	(292,477)
Gross profit		488,250	496,083
Poker machine net clearances		2,977,747	3,155,188
Gaming commissions		56,796	42,918
Raffles and bingo revenue		232,951	179,860
Motel revenue		726,179	702,559
Functions revenue		177,402	161,509
Other revenue	2	170,376	155,037
Borrowing cost expense		(19,705)	(14,127)
Bar trading expense		(141,081)	(152,309)
Function trading expense		(17,338)	(18,261)
Poker machine trading expense		(786,873)	(833,345)
Gaming commission expense		(103,791)	(102,663)
Raffle and bingo expense		(277,475)	(223,462)
Occupancy expense		(650,014)	(756,731)
Club promotion and entertainment expense		(263,080)	(257,336)
Motel trading expenses		(429,531)	(441,050)
Depreciation of property plant and equipment		(991,433)	(1,056,573)
Investment property expenses		(7,413)	(1,576)
Administrative expenses		(1,529,764)	(1,529,849)
Other expenses		(9,283)	(21,228)
<b>Profit / (loss) before income tax</b>		<b>(397,080)</b>	<b>(515,356)</b>
Income tax (expense)/benefit		3,158	1,244
<b>Profit / (loss) after income tax</b>		<b>(393,922)</b>	<b>(514,112)</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income / (loss)</b>		<b>(393,922)</b>	<b>(514,112)</b>

The accompanying notes form part of these summary financial statements.

# Club Macquarie Limited

ABN 29 315 070 855

## Summary Statement of Financial Position

As at 30 June 2017

	2017 \$	2016 \$
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	1,408,723	1,206,191
Trade and other receivables	67,395	60,092
Inventories	24,950	22,006
Other assets	24,939	34,528
<b>TOTAL CURRENT ASSETS</b>	<b>1,526,007</b>	<b>1,322,817</b>
NON-CURRENT ASSETS		
Property, plant and equipment	8,996,556	9,642,176
Investment property	831,029	831,029
Intangible assets	162,684	162,684
Deferred tax assets	85,676	82,518
<b>TOTAL NON-CURRENT ASSETS</b>	<b>10,075,945</b>	<b>10,718,407</b>
<b>TOTAL ASSETS</b>	<b>11,601,952</b>	<b>12,041,224</b>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Trade and other payables	383,732	457,324
Short-term borrowings	8,345	6,996
Short-term provisions	256,931	243,344
Other liabilities	117,774	109,737
<b>TOTAL CURRENT LIABILITIES</b>	<b>766,782</b>	<b>817,401</b>
NON-CURRENT LIABILITIES		
Long-term borrowings	406,827	416,059
Long-term provisions	22,358	7,857
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>429,185</b>	<b>423,916</b>
<b>TOTAL LIABILITIES</b>	<b>1,195,967</b>	<b>1,241,317</b>
<b>NET ASSETS</b>	<b>10,405,985</b>	<b>10,799,907</b>
<b>EQUITY</b>		
Retained earnings	10,405,985	10,799,907
<b>TOTAL EQUITY</b>	<b>10,405,985</b>	<b>10,799,907</b>

The accompanying notes form part of these summary financial statements.

# Club Macquarie Limited

ABN 29 315 070 855

## Summary Statement of Changes in Equity For the Year Ended 30 June 2017

### 2017

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2016</b>	<b>10,799,907</b>	<b>10,799,907</b>
Total comprehensive income / (loss)	<b>(393,922)</b>	<b>(393,922)</b>
<b>Balance at 30 June 2017</b>	<b>10,405,985</b>	<b>10,405,985</b>

### 2016

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2015</b>	<b>11,314,019</b>	<b>11,314,019</b>
Total comprehensive income / (loss)	<b>(514,112)</b>	<b>(514,112)</b>
<b>Balance at 30 June 2016</b>	<b>10,799,907</b>	<b>10,799,907</b>

The accompanying notes form part of these summary financial statements.

# Club Macquarie Limited

ABN 29 315 070 855

## Summary Statement of Cash Flows For the Year Ended 30 June 2017

	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	5,628,538	5,602,238
Payments to suppliers and employees	(5,057,755)	(5,082,702)
Interest received	14,433	21,237
Borrowing Costs	(19,705)	(14,127)
Income tax (paid) / received	-	1,099
Net cash provided by (used in) operating activities	565,511	527,745
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payment for Property, Plant & Equipment	(355,096)	(850,733)
Payment for Investment Property	-	(831,029)
Proceeds from sale of Property, Plant & Equipment	-	13,000
Net cash used by investing activities	(355,096)	(1,668,762)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	-	427,170
Repayment of borrowings	(7,883)	(4,115)
Net cash used by financing activities	(7,883)	423,055
Net increase / (decrease) in cash and cash equivalents held	202,532	(717,962)
Cash and cash equivalents at beginning of year	1,206,191	1,924,153
Cash and cash equivalents at end of financial year	1,408,723	1,206,191

The accompanying notes form part of these summary financial statements.

# Club Macquarie Limited

ABN 29 315 070 855

## Notes to the Summary Financial Statements For the Year Ended 30 June 2017

### 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 2017. The audited report for the year ended 30 June 2017 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

	2017	2016
	\$	\$
Operating activities		
- Trading revenue	5,002,877	5,030,594
Other Revenue		
- Interest income	14,433	21,237
- Member subscriptions	17,441	17,714
- GST rebate	17,180	17,180
- Net investment property income	35,648	22,039
- Rent received – Restaurant	30,728	27,182
- Other income	9,859	5,134
- Commissions received	45,087	42,790
- Insurance proceeds	-	1,761
	<b>170,376</b>	<b>155,037</b>
<b>Total Revenue</b>	<b>5,173,253</b>	<b>5,185,631</b>

# Club Macquarie Limited

ABN 29 315 070 855

## Discussion and Analysis of the Summary Financial Statements

For the Year Ended 30 June 2017

### 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 2017 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 loss from ordinary activities after income tax attributable to members for the year was \$393,922. The result has improved by \$120,190 compared to a loss of \$514,112 in 2016.

#### Revenue

Total revenue has decreased by 0.2% or \$12,378 compared to 2016. Some notable comparisons include:

- Bar sales increased by 5.5% and the gross profit achieved from bar sales decreased from 62.9% to 58.7%.
- Net clearances from poker machine machines decreased 5.6%.
- Revenue from the Macquarie Inn increased 3.4% due to an increase in occupancy.
- Revenue from raffles and bingo increased 29.5% due to an increase in patronage and an additional weekly raffle this year.
- Revenue from functions and weddings increased 9.8% due to an increase in functions and weddings held.
- Other income increased 9.9% due to a full year of rental income received from the investment property purchased last year.

#### Expenditure

Total expenditure, excluding income tax, has decreased by 2.3% or \$130,654 compared to 2016. Some notable comparisons include:

- Poker machine trading expenses decreased 5.6% due to a decrease in poker machine duty and clubgrants expenses, as a result of a decrease in poker machine revenue.
- Raffle and bingo expenses increased 24.2% due to an additional weekly raffle this year.
- Occupancy expenses decreased 14.1% due to the renegotiation of supplier contracts and timing of major repairs.
- Depreciation expense has decreased 6.2% due to the timing of property, plant and equipment purchases.

The EBITDA result as a percentage of revenue for the Club is 11.6% compared to 10.3% in the prior year. The industry benchmark for Clubs is 10% at a minimum.

### Summary Statement of Financial Position

The main changes in assets and liabilities included:

#### Assets

Total assets decreased by \$439,272 to \$11,601,952. This decrease is mainly reflected in the following balances:

- Cash and cash equivalents increased by \$202,532. This is due to an increase in the Club's EBITDA result this year as a result of a decrease in expenditure.
- Property, plant & equipment decreased by \$645,620, which is the net difference between additions, disposals and depreciation.

All other assets have remained relatively comparable to the previous year balances.

# Club Macquarie Limited

ABN 29 315 070 855

## Discussion and Analysis of the Summary Financial Statements

For the Year Ended 30 June 2017

### Liabilities

Total liabilities decreased by \$45,350 to \$1,195,967. This is mainly reflected in the following balances:

- Trade and other payables decreased by \$73,592 due to timing of expenditure and asset purchases this year.
- Short and long term provisions increased by \$28,088 due to an additional 3 employees reaching 5 years of service and accruing long service leave for the first time, minimal leave taken this year and the impact of an increase in wage rates on existing leave entitlements.

All other liabilities have remained relatively comparable to the previous year balances.

### Summary Statement of Changes in Equity

The equity of the Club has decreased entirely due to the reported loss result of \$393,922.

### Summary Statement of Cashflows

The Club's cash position has increased during the year by \$202,532.

#### Operating Activities

Net cash inflows from operating activities were \$565,511 compared to \$527,745 in the previous year and is down due to a decrease in expenditure.

#### Investing Activities

Net cash invested in the Club premises and equipment during the year totalled \$355,096.

#### Financing Activities

Net cash outflows from financing activities were \$7,883 and relate to the repayments of an existing loan facility.