



CLUB MACQUARIE LIMITED
ABN 29 315 070 885

Summary Financial Report
For the Year Ended
30 June 2018

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 2018 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 2018

Your Directors present their report on Club Macquarie Limited for the financial year ended 30 June 2018.

Directors

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

Name	Position	Occupation	Years Service
G. R. Ford	President	Retired	24
G. Shepherd	Senior Vice President	Electrician	10
G. Clack	Junior Vice President	Retired	28
L. Peterson	Director	Retired	26
C. Moore	Director	Retired	22
B. Stanbridge	Director	Retired	17

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 2018 the collective liability of members was \$ 6,182 (2017: \$ 4,263).

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 \$ 172,549 (2017: a loss of \$393,922).

Club Macquarie Limited

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Directors' Report

30 June 2018

Review of operations

Gross profit from bar trading amounted to \$547,724 and gross profit percentage of 61% was obtained from sales of \$901,915.

Net gaming revenue amounted to \$3,254,151 and compares with \$2,977,747 in 2017.

Net operating profit from Macquarie Inn amounted to \$357,422 and compares with \$296,648 in 2017.

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.

	2018 \$	2017 \$
Reported operating profit / (loss) after tax	(172,549)	(393,922)
Add back: depreciation	939,514	991,433
Operating profit / (loss) before depreciation	766,965	597,511
Less: interest received	(13,010)	(14,433)
Add back: income tax expense / (benefit)	11,704	(3,158)
Add back: borrowing costs	21,050	19,705
EBITDA	786,709	599,625
Total Revenue	5,682,201	5,173,253
EBITDA % of Revenue	13.85%	11.59%

Meetings of Directors

During the financial year, 13 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	13	12
G. Shepherd	13	13
G. Clack	13	12
L. Peterson	13	11
C. Moore	13	12
B. Stanbridge	13	12

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.

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Directors' Report

30 June 2018

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 2018, 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 2018 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 25 July 2018

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 2018, 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

18 July 2018

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 2018, 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 2018.

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 26 July 2018.

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

26 July 2018

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 2018, 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 25 July 2018

Club Macquarie Limited

ABN 29 315 070 855

Summary Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2018

		2018	2017
	Note	\$	\$
Bar sales		901,915	831,802
Less Bar cost of goods sold		(354,191)	(343,552)
Gross profit		547,724	488,250
Poker machine net clearances		3,254,151	2,977,747
Gaming commissions		62,657	56,796
Raffles and bingo revenue		247,816	232,951
Motel revenue		863,603	726,179
Functions revenue		167,495	177,402
Other revenue	2	184,564	170,376
Borrowing cost expense		(21,050)	(19,705)
Bar trading expense		(165,949)	(141,081)
Function trading expense		(27,447)	(17,338)
Poker machine trading expense		(862,880)	(786,873)
Gaming commission expense		(97,592)	(103,791)
Raffle and bingo expense		(310,323)	(277,475)
Occupancy expense		(662,519)	(650,014)
Club promotion and entertainment expense		(285,171)	(263,080)
Motel trading expenses		(506,181)	(429,531)
Depreciation of property plant and equipment		(939,514)	(991,433)
Investment property expenses		(6,100)	(7,413)
Administrative expenses		(1,603,840)	(1,529,764)
Other expenses		(289)	(9,283)
Profit / (loss) before income tax		(160,845)	(397,080)
Income tax (expense)/benefit		(11,704)	3,158
Profit / (loss) after income tax		(172,549)	(393,922)
Other comprehensive income		-	-
Total comprehensive income / (loss)		(172,549)	(393,922)

The accompanying notes form part of these summary financial statements.

Club Macquarie Limited

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Summary Statement of Financial Position

As at 30 June 2018

	2018 \$	2017 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	1,719,673	1,408,723
Trade and other receivables	64,167	67,395
Inventories	44,812	24,950
Other assets	100,381	24,939
TOTAL CURRENT ASSETS	1,929,033	1,526,007
NON-CURRENT ASSETS		
Property, plant and equipment	8,526,921	8,996,556
Investment property	831,029	831,029
Intangible assets	162,684	162,684
Deferred tax assets	73,972	85,676
TOTAL NON-CURRENT ASSETS	9,594,606	10,075,945
TOTAL ASSETS	11,523,639	11,601,952
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	454,852	383,732
Short-term borrowings	7,299	8,345
Short-term provisions	272,541	256,931
Other liabilities	128,733	117,774
TOTAL CURRENT LIABILITIES	863,425	766,782
NON-CURRENT LIABILITIES		
Long-term borrowings	400,795	406,827
Long-term provisions	25,983	22,358
TOTAL NON-CURRENT LIABILITIES	426,778	429,185
TOTAL LIABILITIES	1,290,203	1,195,967
NET ASSETS	10,233,436	10,405,985
EQUITY		
Retained earnings	10,233,436	10,405,985
TOTAL EQUITY	10,233,436	10,405,985

The accompanying notes form part of these summary financial statements.

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Summary Statement of Changes in Equity For the Year Ended 30 June 2018

2018

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

2017

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

The accompanying notes form part of these summary financial statements.

Club Macquarie Limited

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Summary Statement of Cash Flows For the Year Ended 30 June 2018

	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	6,198,759	5,628,538
Payments to suppliers and employees	(5,402,523)	(5,057,755)
Interest received	13,010	14,433
Borrowing Costs	(21,050)	(19,705)
Net cash provided by (used in) operating activities	<u>788,196</u>	<u>565,511</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for Property, Plant & Equipment	<u>(470,168)</u>	<u>(355,096)</u>
Net cash used by investing activities	<u>(470,168)</u>	<u>(355,096)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	<u>(7,078)</u>	<u>(7,883)</u>
Net cash used by financing activities	<u>(7,078)</u>	<u>(7,883)</u>
Net increase / (decrease) in cash and cash equivalents held	310,950	202,532
Cash and cash equivalents at beginning of year	<u>1,408,723</u>	<u>1,206,191</u>
Cash and cash equivalents at end of financial year	<u>1,719,673</u>	<u>1,408,723</u>

The accompanying notes form part of these summary financial statements.

Club Macquarie Limited

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Notes to the Summary Financial Statements For the Year Ended 30 June 2018

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 2018. The audited report for the year ended 30 June 2018 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

	2018	2017
	\$	\$
Operating activities		
- Trading revenue	5,497,637	5,002,877
Other Revenue		
- Interest income	13,010	14,433
- Member subscriptions	19,990	17,441
- GST rebate	17,180	17,180
- Net investment property income	37,332	35,648
- Rent received – Restaurant	32,501	30,728
- Other income	20,368	9,859
- Commissions received	44,183	45,087
	<u>184,564</u>	<u>170,376</u>
Total Revenue	<u>5,682,201</u>	<u>5,173,253</u>

Club Macquarie Limited

ABN 29 315 070 855

Discussion and Analysis of the Summary Financial Statements For the Year Ended 30 June 2018

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 2018 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 \$172,549. The result has improved by \$221,373 compared to a loss of \$393,922 in 2017.

Revenue

Total revenue has increased by 9.8% or \$508,948 compared to 2017. Some notable comparisons include:

- Bar sales increased by 8.4% and the gross profit achieved from bar sales increased from 58.7% to 60.7%.
- Net clearances from poker machine machines increased 9.3%.
- Revenue from the Macquarie Inn increased 18.9% due to an increase in occupancy.
- Revenue from raffles and bingo increased 6.4% due to an increase in patronage.
- Revenue from functions decreased 5.6% due to a decrease in seminars held.

Expenditure

Total expenditure, excluding income tax, has increased by 4.9% or \$272,713 compared to 2017. Some notable comparisons include:

- Bar trading expenses increased 17.6% due to an increase in hours worked this year.
- Poker machine trading expenses increased 9.7% due to an increase in poker machine duty and clubgrants expenses, as a result of an increase in poker machine revenue.
- Raffle and bingo expenses increased 11.8% due to increased bingo prizes and increased bingo equipment hire this year.
- Motel trading expenses increased 17.8% due to an increase in cleaning, laundry and repairs and maintenance costs associated with an increase in occupancy this year.
- Depreciation expense has decreased 5.2%.

The EBITDA result as a percentage of revenue for the Club is 13.8% compared to 11.6% 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 \$78,313 to \$11,523,639. This decrease is mainly reflected in the following balances:

- Cash and cash equivalents increased by \$310,950. This is due to an increase in the Club's EBITDA result this year as a result of an increase in revenue.
- Other assets increased by \$75,442 due to the timing of insurance premium renewals.

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Discussion and Analysis of the Summary Financial Statements

For the Year Ended 30 June 2018

- Property, plant & equipment decreased by \$469,635, which is the net difference between additions, disposals and depreciation.

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

Liabilities

Total liabilities increased by \$94,236 to \$1,290,203. This is mainly reflected in the following balances:

- Trade and other payables increased by \$71,120 due to timing of expenditure and asset purchases this year.
- Short and long term provisions increased by \$19,235 due to an additional 2 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 \$172,549.

Summary Statement of Cashflows

The Club's cash position has increased during the year by \$310,950.

Operating Activities

Net cash inflows from operating activities were \$788,196 compared to \$565,511 in the previous year and is up due to an increase in revenue.

Investing Activities

Net cash invested in the Club premises and equipment during the year totalled \$470,168.

Financing Activities

Net cash outflows from financing activities were \$7,078 and relate to the repayments of an existing loan facility.