



# Forsyth's

## Manilla RSL and Ex Servicemen's Club Limited

ABN 23 001 021 101

Financial Statements

For the year ended 30 June 2014

[www.forsyths.com.au](http://www.forsyths.com.au)

# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

For the Year Ended 30 June 2014

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# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

## Directors' Report

30 June 2014

Your directors present their report on the Company for the financial year ended 30 June 2014.

### Directors

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

<b>Names</b>	<b>Position</b>	<b>Appointed/Resigned</b>
David J Northey	President	RIP 10/4/2014
Ian Leslie Ward	Treasurer	
William Gregson Thurtell	Director	
Patricia Adulla Sing	Director	
Elaine Bastion	Director	
Bruce Kneipp	Director	Appointed 26/11/2013
Russell McDowell	Director	Appointed 29/12/2013
Robert Gardner	Director	Appointed 29/12/2013
Narelle Cameron	Director	Appointed 29/12/2013
Ian Lindsay Bignall	Director	Resigned 26/11/2013
Ronald Cox	Director	Resigned 26/11/2013
William Groves	Director	Resigned 26/11/2013
Wendy Daniels-Bauer	Director	Resigned 26/11/2013

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 activities of Manilla RSL and Ex Servicemen's Club Limited during the financial year were the operation of a licensed club and providing facilities for members.

No significant change in the nature of these activities occurred during the year.

### Objectives and strategies

#### Objectives

The Club's short term objectives are:

- Increase patronage and Club memberships.
- Improve financial position of the Club through increased patronage.

The Club's long term objectives are:

- Improve the Club facilities by upgrading existing areas including bar, furniture and carpeting throughout the Club interior.
- Consider and pursue appropriate strategies in developing new buildings and business expansion opportunities.
- To attract higher numbers of patrons to the Club by catering for as wide a range of community interests as possible.

# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

Directors' Report

30 June 2014

## Objectives and strategies continued

### Strategies

The Club's strategies to achieve its short term objectives are:

- Refurbishment of Club facilities.
- Upgrading restaurant and kitchen areas.

The Club's strategies to achieve its long term objectives are:

- Consideration of options to construct new facilities.
- Consideration of options to invest in activities complimentary to existing facilities and patronage, within the scope of retaining the heritage of the RSL traditions, and remembering our fallen and returned personnel from all conflicts of war.

### Performance measurement

The company regularly measures its performance through budgetary control, review of the company's financial performance and the level of patronage of the club.

### Director Information

#### Information on directors

Bruce Kneipp	Director
Qualifications	Retired Real Estate
Experience	1 Year as a Director
Wendy Daniels-Bauer	Director
Qualifications	Retired
Experience	1 year as a Director
Ian Leslie Ward	Treasurer
Qualifications	Retired
Experience	16 years as a Director
Narelle Cameron	Director
Qualifications	Retired
Experience	1 Year as a Director
Ronald Cox	Director
Qualifications	Retired
Experience	1 Year as a Director
Patricia Adulla Sing	Director
Qualifications	Retired
Experience	11 years as a Director

# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

Directors' Report

30 June 2014

## Director Information continued

### Information on directors continued

William Gregson Thurtell	Director
Qualifications	Retired
Experience	6 years as a Director
Robert Gardner	Director
Qualifications	Retired Truck Driver
Experience	1 Year as a Director
David J Northey	President
Qualifications	Retired
Experience	5 years as a Director
William Groves	Director
Qualifications	Retired
Experience	7 years as a Director
Russell McDowell	Director
Qualifications	Retired Council Worker
Experience	1 Year as a Director
Elaine Bastion	Director
Qualifications	Retired
Experience	2 years as a Director
Ian Lindsay Bignall	Director
Qualifications	Retired
Experience	3 year as a Director

# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

## Directors' Report

30 June 2014

### Meetings of directors

During the financial year, 13 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
David J Northey	10	9
Ian Leslie Ward	13	13
William Gregson Thurtell	13	13
Patricia Adulla Sing	13	12
Elaine Bastion	13	12
Bruce Kneipp	8	8
Russell McDowell	7	6
Robert Gardner	7	5
Narelle Cameron	7	6
Ian Lindsay Bignall	5	2
Ronald Cox	5	4
William Groves	5	5
Wendy Daniels-Bauer	5	4

### Incorporation and Members' Guarantee

The entity is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee.

If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2014 the collective liability of members was \$18,000 (2013: \$17,000).

### Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out at page 6.

### Core and Non-Core Land

#### Core Land

25 Court Street Manilla, NSW 2346 (Lot 1 DP 235153, Lot X, Y, Z DP 375023 and Lot 21 DP 554245).

#### Non-Core Land

31 Court Street Manilla, NSW 2346 (Lot 22 DP554245)

35 Court Street Manilla, NSW 2346 (Lot 2 DP213763).


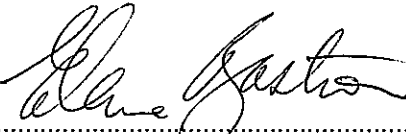
# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

Directors' Report

30 June 2014

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

Director:  Director:   
.....  
Ian Leslie Ward Elaine Bastion

Dated 22 October 2014

Armidale

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Armidale NSW 2350

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## Manilla RSL and Ex Servicemen's Club Limited

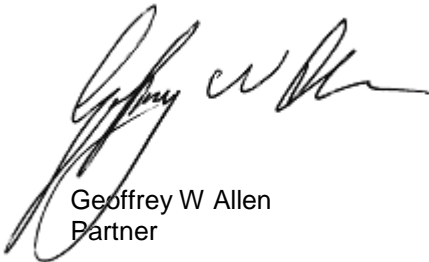
ABN: 23 001 021 101

### Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

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

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

*Forsyths*



Geoffrey W Allen  
Partner

92 Rusden Street, Armidale NSW 2350

22 October 2014

**Knowledge with integrity**

Liability limited by a scheme approved under the Professional Standards Legislation



# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2014

	Note	2014 \$	2013 \$
Sales revenue	2	1,077,034	1,105,335
Cost of sales		<u>(676,185)</u>	<u>(693,689)</u>
Gross profit		400,849	411,646
Other income	2	205,662	202,308
Gain on disposal of assets		98,336	-
Investment revenue		308	635
Marketing expenses		(187,718)	(182,430)
Occupancy costs		(24,581)	(19,312)
Administrative expenses		(334,309)	(360,459)
Finance costs		(6,954)	(7,521)
Other expenses		<u>(121,418)</u>	<u>(110,848)</u>
<b>Profit/ (Loss) before income tax</b>	3	30,175	(65,981)
Income tax expense	4	-	-
<b>Profit / (Loss) for the period</b>		<u>30,175</u>	<u>(65,981)</u>
<b>Other comprehensive income</b>			
Net gain on revaluation of land and buildings		<u>26,605</u>	-
<b>Other comprehensive income for the period, net of tax</b>		<u>26,605</u>	-
<b>Total comprehensive income for the period</b>		<u><u>56,780</u></u>	<u><u>(65,981)</u></u>

The accompanying notes form part of these financial statements.

# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

## Statement of Financial Position

30 June 2014

	Note	2014 \$	2013 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	143,497	90,241
Trade and other receivables	8	491	2,180
Inventories	9	14,846	14,574
<b>Total current assets</b>		<b>158,834</b>	106,995
<b>Non-current assets</b>			
Property, plant and equipment	10	1,062,556	1,083,940
<b>Total non-current assets</b>		<b>1,062,556</b>	1,083,940
<b>TOTAL ASSETS</b>		<b>1,221,390</b>	1,190,935
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	101,494	115,157
Borrowings	13	13,036	7,054
Employee benefits	14	46,349	34,641
<b>Total current liabilities</b>		<b>160,879</b>	156,852
<b>Non-current liabilities</b>			
Borrowings	13	40,961	74,418
Employee benefits	14	14,623	11,518
<b>Total non-current liabilities</b>		<b>55,584</b>	85,936
<b>TOTAL LIABILITIES</b>		<b>216,463</b>	242,788
<b>NET ASSETS</b>		<b>1,004,927</b>	948,147
<b>EQUITY</b>			
Reserves		26,605	-
Retained earnings		978,322	948,147
<b>TOTAL EQUITY</b>		<b>1,004,927</b>	948,147

The accompanying notes form part of these financial statements.

# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

## Statement of Changes in Equity

For the Year Ended 30 June 2014

2014

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2013	948,147	-	948,147
Profit/(loss) for the year	30,175	-	30,175
Revaluation increment (decrement)	-	26,605	26,605
<b>Balance at 30 June 2014</b>	<b>978,322</b>	<b>26,605</b>	<b>1,004,927</b>

2013

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2012	1,014,128	-	1,014,128
Profit/(loss) for the year	(65,981)	-	(65,981)
<b>Balance at 30 June 2013</b>	<b>948,147</b>	<b>-</b>	<b>948,147</b>

The accompanying notes form part of these financial statements.

# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

## Statement of Cash Flows

For the Year Ended 30 June 2014

	2014	2013
Note	\$	\$
<b>Cash from operating activities:</b>		
Receipts from customers	1,520,824	1,454,578
Payments to suppliers and employees	(1,527,267)	(1,502,952)
Interest received	308	635
Finance costs	(6,954)	(8,431)
<b>Net cash provided by (used in) operating activities</b>	17 <u>(13,089)</u>	<u>(56,170)</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of plant and equipment	130,000	-
Payment to acquire property, plant and equipment	(36,181)	(30,627)
<b>Net cash used by investing activities</b>	<u>93,819</u>	<u>(30,627)</u>
<b>Cash flows from financing activities:</b>		
Repayment of borrowings	(27,475)	(17,410)
<b>Net cash used by financing activities</b>	<u>(27,475)</u>	<u>(17,410)</u>
<b>Other activities:</b>		
<b>Net cash increase (decreases) in cash and cash equivalents</b>	53,255	(104,207)
Cash and cash equivalents at beginning of year	90,241	194,448
<b>Cash and cash equivalents at end of year</b>	7 <u>143,496</u>	<u>90,241</u>

The accompanying notes form part of these financial statements.

# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

Notes to the Financial Statements

For the Year Ended 30 June 2014

## 1 Summary of Significant Accounting Policies

### (a) General information

The financial statements are for Manilla RSL and Ex Servicemen's Club Limited as an individual entity, incorporated and domiciled in Australia. Manilla RSL and Ex Servicemen's Club Limited is a Company limited by guarantee.

### (b) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

### (c) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

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

### (d) Income taxes

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). The *Income Tax Act 1997* (as amended) provides that, under the concept of member mutuality, clubs are only liable for income tax derived from non-members.

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.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability

# Manilla RSL and Ex Servicemen's Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2014

## 1 Summary of Significant Accounting Policies continued

### (d) Income taxes continued

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 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 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 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.

### (e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

### (f) Inventories

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

### (g) Property, plant and equipment

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

#### Property

Freehold land and buildings are shown at cost and fair value, less subsequent depreciation for buildings.

#### Plant and equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount for these assets. The recoverable amount of plant and equipment for not-for-profit entities is the current replacement cost discounted to current asset condition.

# Manilla RSL and Ex Servicemen's Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2014

## 1 Summary of Significant Accounting Policies continued

### (g) Property, plant and equipment continued

#### Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

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

#### Class of Fixed Asset

Buildings and Improvements - at Cost	2.5 - 18.0%
Plant and Equipment	10.0 - 30.0%
Bar Plant and Equipment - at Cost	10.0 - 30.0%
Office Plant and Equipment - at Cost	10.0 - 37.5%
Motor Vehicles - at Cost	30.0%
Poker Machines - at Cost	20.0%
Sporting Equipment	2.5 - 18.0%
Kitchen Utensils - at Cost	10.0 - 30.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet 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 disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

### (h) Employee benefits

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

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

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

### (i) Borrowings

All borrowing costs are recognised in as expenses in the period in which they are incurred.

# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

Notes to the Financial Statements

For the Year Ended 30 June 2014

## 1 Summary of Significant Accounting Policies continued

### (j) 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.

### (k) Comparatives

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

### (l) Intangible assets

#### Poker Machine Entitlements

The company, as a result of State legislation, received for no cost, poker machine entitlements. These entitlements can be sold should the company decide to reduce, or cease, its poker machine activities. The company has not recorded the poker machine entitlement in the financial statements as there was no fair value on acquisition of these entitlements.

### (m) Critical accounting estimates and judgments

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

#### *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. Discounted replacement value calculations performed in assessing recoverable amounts incorporate a number of key estimates.

### (n) Going concern

Notwithstanding the Company's net current assets position of \$1,695 (2013 deficit: \$49,857) and the profit for the period of \$30,175 (2013 loss: \$65,981), the financial statements have been prepared on the going concern basis. This basis has been adopted as the Company has unutilised bank overdraft facilities of \$60,000, has sold non-core property and is budgeting to continue to operate profitably.



# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

Notes to the Financial Statements

For the Year Ended 30 June 2014

## 1 Summary of Significant Accounting Policies continued

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

During the current year, the following standards became mandatory and have been adopted retrospectively by the Company:

AASB 13 *Fair Value Measurement* does not change what and when assets or liabilities are recorded at fair value. It provides guidance on how to measure assets and liabilities at fair value, including the concept of highest and best use for non-financial assets. AASB 13 has not changed the fair value measurement basis for any assets or liabilities held at fair value, however additional disclosures on the methodology and fair value hierarchy have been included in the financial statements.

AASB 119 *Employee benefits* changes the basis for determining the income or expense relating to defined benefit plans and introduces revised definitions for short-term employee benefits and termination benefits.

The Company reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period. Whilst this has been considered to be a long-term employee benefits for the purpose of measuring the leave under AASB 119, the effect of discounting was not considered to be material and therefore has not been performed.

In accordance with the transition provisions in the standard, the comparative figures have been restated.

### (p) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Company.

# Manilla RSL and Ex Servicemen's Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 2 Revenue

	2014	2013
	\$	\$
Sales revenue		
- Bar Sales	534,470	548,458
- Dining Room Income	14,676	3,543
- Poker Machine Revenue	459,066	477,052
- Keno Revenue	42,617	49,498
- TAB Revenue	26,205	26,784
Total Revenue	<u>1,077,034</u>	<u>1,105,335</u>
	2014	2013
	\$	\$
Other Income		
- Rental income	2,432	10,051
- Raffles Income	91,099	114,656
- Membership Subscriptions	11,080	11,905
- Other Income	101,051	65,696
Other Income	<u>205,662</u>	<u>202,308</u>

### 3 Profit/(Loss) for the Year

Profit/(Loss) for the year is calculated after charging the following expenses:

	2014	2013
	\$	\$
External finance costs	6,954	7,521
Depreciation	52,505	56,025

### 4 Income tax expense

(a) The prima facie tax on profit/(Loss) from ordinary activities before income tax is reconciled to the income tax as follows:

	2014	2013
	\$	\$
Prima facie tax payable on profit/(Loss) from ordinary activities before income tax at 30% (2013: 30%)	9,053	(19,794)
Add:		
Tax effect of:		
- Mutuality adjustments - net	13,897	15,360
- Adjustment for Unrecognised Losses	(22,950)	4,434
Income tax attributable to entity	<u>-</u>	<u>-</u>

# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 4 Income tax expense continued

#### (b) Assessed losses carried forward

The Company has unrealised tax losses of \$3,384 (2013: \$87,780). For the year ended 30 June 2014 no deferred tax asset has been taken up, as it is not probable that these losses will be utilised in future years.

### 5 Key Management Personnel Compensation

	Short-term benefits \$	Post employment benefit \$	Total \$
<b>2014</b>			
Total compensation	75,392	6,924	82,316
<b>2013</b>			
Total compensation	114,820	7,459	122,279

Directors did not receive any remuneration for their capacity as directors during the current or previous financial year. Directors perform their duties in an honorary capacity.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

### 6 Auditors' Remuneration

	2014 \$	2013 \$
Remuneration of the auditor of the Company for:		
- auditing or reviewing the financial statements	14,000	14,000
- Other services (taxation, accounting advice, financial statements)	9,623	5,150
	<u>23,623</u>	<u>19,150</u>

### 7 Cash and cash equivalents

	2014 \$	2013 \$
Cash on hand	66,603	52,829
Cash at bank	76,894	37,412
	<u>143,497</u>	<u>90,241</u>

# Manilla RSL and Ex Servicemen's Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2014

## 8 Trade and other receivables

	2014	2013
	\$	\$
Trade receivables	491	2,180
	<u>491</u>	<u>2,180</u>

Trade receivables to the value \$409 are past due and payable. There are no balances within trade receivables that contain assets that are considered impaired. It is expected that these balances will be received when due. There is no provision for impairment at 30 June 2014 (2013: \$nil).

## 9 Inventories

	2014	2013
	\$	\$
CURRENT		
At Cost		
Finished goods	14,846	14,574
	<u>14,846</u>	<u>14,574</u>

# Manilla RSL and Ex Servicemen's Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 10 Property, plant and equipment

	2014	2013
	\$	\$
LAND AND BUILDINGS		
Freehold land - at Fair value	40,000	40,188
Freehold land - at Cost	66,300	66,300
Total Freehold Land	<u>106,300</u>	106,488
Buildings and Improvements - at Cost	1,157,859	1,151,314
Accumulated Depreciation	(312,482)	(289,339)
Total Buildings and Improvements	<u>845,377</u>	861,975
PLANT AND EQUIPMENT		
Plant and Equipment - at Cost	392,430	460,944
Accumulated Depreciation	(343,552)	(404,393)
Total Plant and Equipment	<u>48,878</u>	56,551
Bar Plant and Equipment - at Cost	145,225	186,844
Accumulated Depreciation	(125,746)	(160,706)
Total Bar Plant and Equipment	<u>19,479</u>	26,138
Office Plant and Equipment - at Cost	27,904	22,513
Accumulated Depreciation	(16,503)	(12,640)
Total Office Plant and Equipment	<u>11,401</u>	9,873
Motor Vehicles - at Cost	2,909	2,909
Accumulated Depreciation	(2,135)	(1,999)
Total Motor Vehicles	<u>774</u>	910
Poker Machines - at Cost	191,069	401,518
Accumulated Depreciation	(164,461)	(381,166)
Total Poker Machines	<u>26,608</u>	20,352
Sporting Equipment - at Cost	1,949	1,949
Accumulated Depreciation	(1,932)	(1,930)
Total Sporting Equipment	<u>17</u>	19
Kitchen Utensils - at Cost	5,820	3,290
Accumulated Depreciation	(2,098)	(1,656)
Total Kitchen Utensils	<u>3,722</u>	1,634
<b>Total Property, Plant and Equipment</b>	<u><u>1,062,556</u></u>	<u>1,083,940</u>

# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

Notes to the Financial Statements

For the Year Ended 30 June 2014

## Movements in Carrying Amounts

Reconciliation of the carrying amount of each class of property, plant and equipment from the beginning to the end of the financial year:

	Land	Buildings and Improvements	Plant and Equipment	Bar Plant and Equipment	Office Plant and Equipment	Motor Vehicles	Poker Machines	Sporting Equipment	Kitchen Utensils	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at start of year	106,488	861,975	56,551	26,138	9,873	910	20,352	19	1,634	1,083,940
Additions	-	7,000	3,774	2,500	5,392	-	14,985	-	2,530	36,181
Disposals - written down value	(26,794)	-	(571)	(310)	-	-	(3,989)	-	-	(31,664)
Depreciation expense	-	(23,598)	(10,875)	(8,849)	(3,864)	(136)	(4,740)	(2)	(442)	(52,506)
Revaluation increase recognised in equity	26,605	-	-	-	-	-	-	-	-	26,605
Balance at end of year	106,299	845,377	48,879	19,479	11,401	774	26,608	17	3,722	1,062,556

# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

Notes to the Financial Statements

For the Year Ended 30 June 2014

## 11 Fair Value Measurement

The Company measures the following assets and liabilities at fair value on a recurring basis:

- Property, plant and equipment
  - Land - at Fair Value

### Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

#### 2014

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the :

	Level 1	Level 2	Level 3	Total
30 June 2014	\$	\$	\$	\$
<b>Recurring fair value measurements</b>				
<b>Property, plant and equipment</b>				
Land - at Fair Value	-	40,000	-	40,000

### Level 2 measurements

For freehold land, the fair value is based on director's valuation taking into account an external independent market appraisal performed in the 2013 year, which had used comparable market data for similar properties.

### Transfers between levels of the hierarchy

There were no transfers between levels of the fair value hierarchy.

# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

Notes to the Financial Statements

For the Year Ended 30 June 2014

## 12 Trade and other payables

	2014	2013
	\$	\$
Unsecured liabilities		
Trade payables	34,634	49,484
Income received in advance	663	618
Other payables	33,427	28,098
Payroll liabilities	8,141	10,862
GST Payables	24,629	26,095
	<u>101,494</u>	<u>115,157</u>

## 13 Borrowings

	2014	2013
	\$	\$
CURRENT		
Secured liabilities		
Bank overdraft	350	-
Bank loans	12,686	7,054
	<u>13,036</u>	<u>7,054</u>
	<u>2014</u>	<u>2013</u>
	\$	\$
NON-CURRENT		
Secured liabilities		
Bank loans	40,961	74,418
	<u>40,961</u>	<u>74,418</u>

### (a) Total current and non-current secured liabilities

	2014	2013
	\$	\$
Bank overdraft	350	-
Bank loans	53,647	81,472
	<u>53,997</u>	<u>81,472</u>

### (b) The carrying amounts of non-current assets pledged as security are:

	2014	2013
	\$	\$
First mortgage over freehold land and buildings	951,677	968,463
	<u>951,677</u>	<u>968,463</u>



# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 13 Borrowings continued

#### (c) Bank overdrafts

The Club has unutilised bank overdraft facilities of \$60,000.

### 14 Employee Benefits

	2014	2013
	\$	\$
CURRENT		
Provision for employee benefits	34,477	22,629
Long service leave	11,872	12,012
	<u>46,349</u>	<u>34,641</u>
	2014	2013
	\$	\$
NON-CURRENT		
Long service leave	14,623	11,518
	<u>14,623</u>	<u>11,518</u>

### 15 Contingent liabilities - debt and guarantees

#### Amounts guaranteed, relationship and nature of guarantee

The company has issued a guarantee in the amount of \$5,000 in relation to the TAB facilities.

Other than the above, in the opinion of the Directors, the Company did not have any contingencies at 30 June 2014 (30 June 2013:None).

### 16 Financial instruments

#### (a) Financial Risk Management Policies

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, bank loans.

The main purpose for non-derivative financial instruments is to raise finance for the company's operations.

Manilla RSL And Ex Servicemen's Club Limited does not have any derivative financial instruments at 30 June 2014.

#### (i) Treasury Risk Management

The company directors do not believe the company has any significant treasury risk. Cash is held in bank accounts or on hand for operational purposes.

# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

Notes to the Financial Statements

For the Year Ended 30 June 2014

## 16 Financial instruments continued

### (ii) Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

#### *Interest rate risk*

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rates on classes of financial assets and financial liabilities is calculated below.

The Company's financial assets and liabilities are at floating interest rates. The Board and management believes that the exposure to changes in interest rates will not materially affect the operations.

#### *Liquidity Risk*

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. Further, the company maintains significant cash on hand to manage day to day operations.

#### *Credit risk*

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company.

# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

Notes to the Financial Statements

For the Year Ended 30 June 2014

## 16 Financial instruments continued

### (iii) Financial instrument composition and maturity analysis

The Company's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Floating Interest Rate		Maturing within 1 Year		Maturing 1 to 5 Years		Non-interest Bearing		Total				
	2014	2013	2014	2013	2014	2013	2013	2014	2013	2014	2013		
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$		
<b>Financial Assets:</b>													
Cash and cash equivalents	0.07	0.07	76,894	37,412	-	-	-	-	-	66,603	52,829	143,497	90,241
Receivables	-	-	-	-	-	-	-	-	-	491	2,180	491	2,180
<b>Total Financial Assets</b>			<b>76,894</b>	<b>37,412</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,094</b>	<b>55,009</b>	<b>143,988</b>	<b>92,421</b>
<b>Financial Liabilities:</b>													
Bank loans	6.40	6.70	-	-	12,686	7,054	41,311	49,344	25,074	-	-	53,997	81,472
Trade and sundry payables	-	-	-	-	-	-	-	-	-	101,494	115,157	101,494	115,157
<b>Total Financial Liabilities</b>			<b>-</b>	<b>-</b>	<b>12,686</b>	<b>7,054</b>	<b>41,311</b>	<b>49,344</b>	<b>25,074</b>	<b>101,494</b>	<b>115,157</b>	<b>155,491</b>	<b>196,629</b>

### (iv) Net fair values

Aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 16 Financial instruments continued

#### (v) Sensitivity Analysis

Interest rate risk, liquidity risk, credit risk and price risk.

The Company has not performed a sensitivity analysis relating to its exposure to interest rate risk, liquidity risk, credit risk and price risk at balance date as the company does not believe the sensitivity analysis is material.

A sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

### 17 Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit / (Loss) after Income Tax

	2014	2013
	\$	\$
Profit for the year	30,175	(65,981)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	52,505	56,025
Net (gain)/loss on disposal of property, plant and equipment	(98,336)	-
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	1,689	7,813
(Increase)/decrease in inventories	(272)	5,628
Increase/(decrease) in trade payables and accruals	(13,663)	3,212
Increase/(decrease) in provisions	14,813	(64,157)
Cashflow from operations	<u>(13,089)</u>	<u>(57,460)</u>

### 18 Commitments

The company has entered into a contract with Energy Matters for the installation of solar panels. The Company intends to fund the cost of \$29,845 from the existing loan Facility.

# **Manilla RSL and Ex Servicemen's Club Limited**

ABN: 23 001 021 101

Notes to the Financial Statements

For the Year Ended 30 June 2014

## **16 Financial instruments continued**

## **19 Company Details**

### **Registered office and principal place of business**

The registered office and principal place of business of the company is:

Manilla RSL and Ex Servicemen's Club Limited  
25-29 Court Street  
Manilla NSW 2346

# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

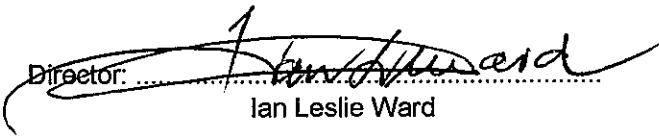
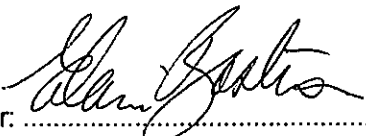
## Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 7 to 27, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Australian Accounting Standards; and
  - (b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

In arriving at their opinion in 2 above the directors have taken into consideration the going concern matters set out in note 1(n).

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

 Director: ..... Ian Leslie Ward	 Director: ..... Elaine Bastion
--	--

Dated 22 October 2014

Armidale

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## **Manilla RSL and Ex Servicemen's Club Limited**

**ABN: 23 001 021 101**

**Independent Audit Report to the members of Manilla RSL and Ex Servicemen's Club Limited**

### **Report on the Financial Statements**

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

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

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

**Knowledge with integrity**

Liability limited by a scheme approved under the Professional Standards Legislation

*Independence*

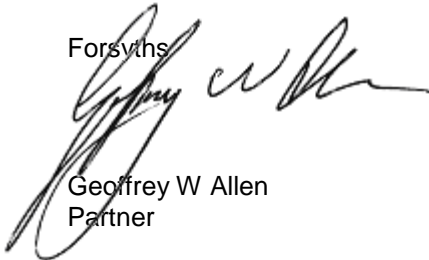
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Manilla RSL and Ex Servicemen's Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

*Opinion*

In our opinion the financial statements of Manilla RSL and Ex Servicemen's Club Limited are in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Forsvths



Geoffrey W Allen  
Partner

Dated 22 October 2014

92 Rusden Street Armidale NSW 2350



**Armidale**

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## Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

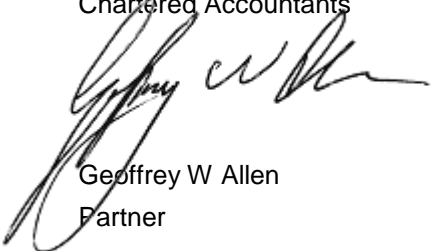
ABN: 23 001 021 101

### Disclaimer

The additional financial data presented on pages 30 to 35 is in accordance with the books and records of the Company which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 30 June 2014. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Manilla RSL and Ex Servicemen's Club Limited) in respect of such data, including any errors of omissions therein however caused.

*Forsyths*

Chartered Accountants



Geoffrey W Allen  
Partner

Dated 22 October 2014

**Knowledge with integrity**

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# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

## Detailed trading account

	2014	2013
	\$	\$
<b>BAR TRADING ACCOUNT</b>		
<b>Sales revenue</b>		
Sales - Bar	<u>534,470</u>	548,458
<b>Total revenue</b>	<b>534,470</b>	548,458
<b>Cost of sales</b>		
Purchases	<u>270,979</u>	290,700
<b>Cost of goods sold</b>	<u>270,979</u>	290,700
<b>Gross profit</b>	<u>263,491</u>	257,758
<b>Gross profit (%)</b>	49.30%	47.00%
<b>Less: Direct expenses</b>		
Bar Freight	524	501
Light & Power - Bar	4,420	3,574
Replacements Bar	3,187	6,351
Wages - Bar	<u>318,298</u>	318,367
<b>Total direct expenses</b>	<u>326,429</u>	328,793
<b>Net profit / (loss)</b>	<u><u>(62,938)</u></u>	<u><u>(71,035)</u></u>

# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

## Detailed trading account

	2014	2013
	\$	\$
<b>DINING ROOM TRADING ACCOUNT</b>		
<b>Sales revenue</b>		
Sales - Kitchen	14,676	3,543
<b>Total revenue</b>	<b>14,676</b>	<b>3,543</b>
<b>Cost of sales</b>		
Purchases	3,668	3,526
<b>Cost of goods sold</b>	<b>3,668</b>	<b>3,526</b>
<b>Gross profit</b>	<b>11,008</b>	<b>17</b>
<b>Gross profit (%)</b>	<b>75.01%</b>	<b>0.48%</b>
<b>Less: Direct expenses</b>		
General expenses	9,514	5,708
Light, Power & Gas - Kitchen	11,444	11,967
<b>Total direct expenses</b>	<b>20,958</b>	<b>17,675</b>
<b>Net profit / (loss)</b>	<b>(9,950)</b>	<b>(17,658)</b>

# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

## Detailed trading account

	2014	2013
	\$	\$
<b>POKER MACHINE TRADING ACCOUNT</b>		
<b>Sales revenue</b>		
Gross Poker Machine Takings	459,066	477,052
<b>Cost of sales</b>		
<b>Less: Direct expenses</b>		
General expenses	12,772	16,069
Poker Machine Tax	10,781	11,975
<b>Total direct expenses</b>	<u>23,553</u>	<u>28,044</u>
<b>Net profit / (loss)</b>	<u>435,513</u>	<u>449,008</u>

# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

## Detailed trading account

	2014	2013
	\$	\$
<b>KENO TRADING ACCOUNT</b>		
<b>Sales revenue</b>		
Sales	42,617	49,498
<b>Less: Direct expenses</b>		
General expenses	6,120	5,664
<b>Total direct expenses</b>	<u>6,120</u>	<u>5,664</u>
<b>Net profit / (loss)</b>	<u><u>36,497</u></u>	<u><u>43,834</u></u>

# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

## Detailed trading account

	2014	2013
	\$	\$
<b>TAB TRADING ACCOUNT</b>		
<b>Income</b>		
TAB Commission	26,205	26,784
<b>Less: Direct expenses</b>		
TAB Promotions	1,387	1,644
TAB Sky Channel	20,180	16,815
TAB - Supplies	1,207	348
TAB (under) Chq Drawn	315	508
<b>Total direct expenses</b>	<u>23,089</u>	<u>19,315</u>
<b>Net profit / (loss)</b>	<u>3,116</u>	<u>7,469</u>

# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

## Profit and Loss Account

	2014	2013
	\$	\$
<b>Sales</b>		
Bar Sales	534,470	548,458
Dining Room Income	14,676	3,543
Poker Machine Revenue	459,066	477,052
Keno Revenue	42,617	49,498
TAB Revenue	26,205	26,784
<b>Total sales</b>	<b>1,077,034</b>	1,105,335
Cost of sales	676,185	693,689
<b>Gross Profit</b>	<b>400,849</b>	411,646
<b>Less: Expenditure</b>		
Accounting fees	21,300	18,300
Administration and management fees	18,863	21,730
Advertising	23,081	27,108
Auditors remuneration	23,623	19,150
Bad debts	-	1,187
Bank charges	163	2,340
Cleaning	13,306	44,657
Computer expenses	2,348	4,222
Consulting and professional fees	5,143	1,088
Depreciation	52,505	56,025
Donations	2,588	1,655
Electricity & water	65,176	73,372
Entertainment	43,452	37,773
Fees and Permits	1,680	1,487
Finance costs - external	6,954	7,521
Filing fees	343	362
Lease rentals on operating lease	3,070	4,753
Leave pay	14,813	(64,157)
Motor vehicle expenses	5,178	5,000
Other employee costs	10,134	15,989
Postage	2,159	3,173
Printing and stationery	6,807	6,438
Promotions	164,637	155,322
Rental properties - rates - council	21,489	18,355
Rental properties - rent paid	-	25
Repairs and maintenance	30,576	23,450
Salaries	80,512	121,061
Security	3,092	932
Staff training	-	3,392
Subscriptions	8,538	5,779

# Manilla RSL and Ex Servicemen's Club Limited

ABN: 23 001 021 101

## Profit and Loss Account

Sundry expenses	505	1,304
Superannuation contributions	36,485	34,103
Telephone and fax	4,845	4,763
Travel - local	3,509	1,037
Waste disposal	-	17
Workers compensation	(1,894)	21,857
<b>Total expenditure</b>	<b>674,980</b>	<b>680,570</b>
<b>Trading Profit</b>	<b>(274,131)</b>	<b>(268,924)</b>
<b>Other operating income:</b>		
Interest income	308	635
Rental income	2,432	10,051
Other income	203,230	192,257
Gain on disposal of assets	98,336	-
<b>Total other operating income</b>	<b>304,306</b>	<b>202,943</b>
<b>Profit before income tax</b>	<b>30,175</b>	<b>(65,981)</b>